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An Examination of Ethical Banking in the Context of Degrowth: A Challenge to Modern Narratives and a Redefinition of Moral Frameworks in Banking

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sans se prononcer sur les opinions exprimées dans cette thèse.

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Abbreviations

ABS : Alternative Bank Switzerland

BIS: Bank for International Settlements

CCS: Carbon Capture and Storage

CEO: Chief Executive Officer

COP: Conference of Parties

COVID-19: Coronavirus disease 2019

CSR: corporate social responsibility

EBS: Ecology Building Society

EROI: Energy Return on Investment

GABV: Global Alliance for Banking on Values

GDP: Gross Domestic Product

GEP: Gross Ecosystem Product

GFANZ: Glasgow Financial Alliance for Net Zero

GHG: Greenhouse Gas

HDI: Human Development Index

ICA: International Cooperative Alliance

IEA: International Energy Agency

IFRS: International Financial Reporting Standards

IMF: International Monetary Fund

INAISE: International Association of Investors in the Social Economy

IPCC: Intergovernmental Panel on Climate Change

ISB: International Social Banking

IUCN: International Union for Conservation of Nature

LLC: Limited Liability Company

MMT: Modern Monetary Theory

NZBA: Net Zero Banking Alliance

OECD: Organisation for Economic Co-operation and Development

PCAF: Partnership for Carbon Accounting Financials

QDAS: Qualitative Data Analysis Software

RCP: Representative Concentration Pathways

SDG: Sustainable Development Goals

SME: Small and Medium-sized Enterprises

SRI: Socially Responsible Investment

SSE: the social and solidarity economy

UNDP: United Nations Development Programme

WHO: World Health Organisation

WMO: World Meteorological Organisation

WWF: World Wildlife Fund

Résumé Grand Public

Même si la durabilité est très importante pour les banques aujourd'hui, le secteur bancaire modernes ne réussit pas à atteindre ses objectifs sociaux et environnementaux. Le mouvement de la décroissance, qui prône une transformation radicale de la société pour favoriser la justice sociale et la protection de l'environnement, critique ces défaillances. Cependant, il n'a pas encore proposé de modèle bancaire pour y remédier. Cette recherche vise donc à définir les principes d'un système bancaire qui correspond aux valeurs de la décroissance.

L'étude se penche sur les banques éthiques en Europe, en examinant leurs valeurs comme la justice sociale, la protection de l'environnement et la démocratie. Trois objectifs sont poursuivis : réinterpréter l'histoire des banques éthiques à la lumière des évolutions modernes, évaluer leur discours actuel par rapport à leurs valeurs morales et culturelles, et les comparer aux valeurs de productivisme et d'individualisme de l'imaginaire contemporain de la modernité.

Pour cela, une méthode qualitative a été utilisée, avec une analyse des données recueillies auprès de 19 banques éthiques dans six pays européens. Les résultats montrent que ces banques, malgré leurs valeurs morales différentes, rencontrent des difficultés pour maintenir une cohérence morale face à des pressions économiques et réglementaires. Néanmoins, elles continuent d'appliquer des pratiques favorisant la solidarité et les objectifs moraux. L'étude souligne la viabilité de réduire la productivité au profit valeurs morales et de relations collectives, qui, en retour, renforce la résilience et réduit les risques.

À partir de ces observations, la recherche propose quatre grands principes pour un modèle bancaire en accord avec la décroissance : la solidarité comme valeur centrale, un cadre moral clair et transparent, une approche de slow banking basée sur la modération et la suffisance, une structure démocratique permettant la participation.

En promouvant des valeurs altruistes et en favorisant une prise de décision collective qui reflète des objectifs durables et démocratiques, ces principes répondent aux critiques du système bancaire actuel formulées par la littérature sur la décroissance.

Résumé

Malgré l'importance de la durabilité pour le secteur bancaire, les banques modernes ne parviennent pas à atteindre leurs objectifs sociaux et environnementaux. La décroissance, un mouvement qui propose une réorganisation radicale de la société pour privilégier la justice sociale et la protection de l'environnement, critique ces lacunes mais ne propose pas de modèle bancaire pour y répondre. Cette recherche a donc pour objectif d'établir les principes fondamentaux d'un système bancaire aligné aux valeurs de la décroissance.

L'étude examine le discours et les valeurs morales des banques éthiques dans les pays européens à hauts revenus en se fondant sur leurs priorisations de valeurs telles que la justice sociale, la protection de l'environnement et la démocratie. Cette recherche a trois objectifs : réinterpréter l'histoire des banques éthiques à travers le prisme de la modernité, et évaluer le discours actuel des banques éthiques, au regard de leurs valeurs morales et culture, en perspective des valeurs modernes du productivisme et individualisme.

Une méthode qualitative inductive a été menée auprès de 19 banques principalement éthiques dans six pays européens, et complété par une analyse thématique sur les données recueillies. L'étude montre que les banques éthiques, enracinées dans des valeurs morales alternatives, luttent pour maintenir un cadre moral cohérent contre des pressions économiques et réglementaires accrues. Toutefois, elles continuent de mettre en œuvre des pratiques qui favorisent la solidarité et donnent la priorité aux objectifs moraux. L'étude met l'accent sur le renforcement mutuel d'une réduction de la productivité au profit du développement de relations collectives qui, ensuite, renforcent la résilience et atténuent les risques.

Sur la base de ces résultats, cette recherche propose quatre grands principes pour un modèle bancaire aligné sur la décroissance : (1) la solidarité comme valeur centrale, (2) un cadre moral clairement défini et transparent, (3) la mise en œuvre d'une perspective de slow banking basée sur les valeurs de modération et de suffisance et, enfin, (4) une structure démocratique pour favoriser la participation. En encourageant les valeurs altruistes et en créant les conditions d'une prise de décision collective qui reflète des objectifs durables et démocratiques, ces principes répondent aux critiques formulées à l'encontre du système bancaire dans la littérature sur la décroissance.

Abstract

Sustainability is increasingly important for modern banks, yet the sector fails to meet its social and environmental objectives. The degrowth movement, which seeks to radically reorganise society to prioritise social justice and environmental protection, criticises these shortcomings but does not propose a banking model in response. This research aims to establish the fundamental principles of a banking system that is aligned with the values of degrowth.

The study examines the discourse and moral values espoused by ethical banks in high-income European countries. Based on examples of their values that prioritise social justice, environmental protection, and democracy, this research has three goals: to reinterpret ethical banks historically through the moral values of modernity, to assess their discourse in relation to the modern value of productivism, and to analyse their relationships and democratic structures through the lens of the modern value of individualism.

An inductive approach to the fieldwork was employed to address the challenges posed by the banking sector, with thematic analysis conducted on data gathered from 19 banks, most of them ethical, in six European countries. The study shows that ethical banks, rooted in alternative moral values, now struggle to maintain a coherent moral framework amid increased economic and regulatory pressures. Despite these challenges, ethical banks continue to pursue practices that foster solidarity and prioritising moral objectives over financial gain. The study emphasises the mutual reinforcement of their model, which showed how reducing productivity to encourage collective relationships, in turn, enhances resilience and mitigates risk.

Based on these findings, this research proposes four main principles for a banking model aligned with degrowth: (1) solidarity as a core value, (2) a clearly defined and transparent moral framework, (3) implementing a slow banking perspective based on the values of moderation and sufficiency and, finally, (4) a democratic structure for participation. By encouraging altruistic values and creating the conditions for collective decision-making that reflect sustainable and democratic objectives, these principles respond to the criticisms made against the banking system in the degrowth literature.

1 Introduction

1.1 Context of The Research

In the 1960s, as the evidence of growing environmental threats became more challenging to ignore, a global movement of activists, scientists, and concerned citizens united (Bourg & Salerno, 2015). Issues of pollution and habitat destruction have led to growing environmental concern linked with a feeling of disconnection from nature. This environmentalist movement critiqued the prevailing social structure and ideology of the West, which failed to effectively respond to these threats in a manner aligned with the protection of environmental resources and ecosystems. This movement is referred to as having a *strong* understanding of sustainability, and its legacy was the seed that started the current *degrowth* movement.

The concerns surrounding these mounting social and environmental issues continued to amplify, resonating within modern institutions including the United Nations (UN), which responded by introducing the concept of sustainable development. However, despite the increasing number of voices advocating for environmental protection, the attempts of the sustainable development movement never reached the right 'pitch' needed to address the urgent imperatives of natural reality, as discussed in Chapter 2. The current reality reveals that these voices never harmonised with physical reality, falling short of the ambition required to address the contemporary challenges.

This is why the environmental movement is experiencing a revival based on critiques that directly target the source of the modern socio-economic system: unchecked economic growth. The degrowth movement, whose name originates from its activist roots in the early 00s, first began as a slogan in France in 2001 (Demaria et al., 2013). It was named 'sustainable degrowth' by two French activists as a mockery of the concept of sustainable development, illustrating a fundamental opposition between the concept of sustainable development by the UN and degrowth movement. While the degrowth movement has always been the target of critiques describing it as unrealistic, degrowth has become increasingly popular in recent years and gained credibility as an alternative to the current issues.

Central to degrowth proponents, the limits in terms of economic development must be managed in a fair and just way. Degrowth challenges the modern belief that perpetual economic growth is necessary to continue developing the well-being of individuals and argues for restricting human activity, and especially economic activity, to the ecological limits. It also challenges the notion of human nature as inherently competitive and independent, recognising interconnectedness and cooperation as constitutive of human flourishing. The movement is notably inspired by thinkers such as Hannah Arendt, Karl Polanyi, Ivan Illich and Jacques Ellul, who highlight how economic growth and technology have become ends in themselves rather than being an instrument to human well-being. Therefore, degrowth narratives have in common that they seek to reintegrate economic activity and technology as means to enhance social well-being rather than as ends in themselves. By reintegrating these aspects into a broader framework that prioritises social well-being and sustainability, degrowth seeks to create a society that better reflects the innate social nature of human beings, while doing so in a just way.

At the centre of the degrowth critique of the dominance of the economic system, lies the banking system. The modern banking system, designed around the money multiplier effect, emerged at around the same time as the modern economic system (Milano, 2011). By increasing the funding capability of the economic system, the powerful instruments of banking reflect well the need to support economic and technological development and have been key in industrial countries (Van Dijk et al., 2020). In the current context, banking instruments are found to contribute to making the economic system more efficient at growing by providing new money to the economy and facilitating exchanges (Boon, 2005). As a result, the banking sector is currently and historically not aligned with degrowth principles.

Indeed, while degrowth grew as a social movement and, more recently, as a new field of research, the economic alternatives following the principles of degrowth are still scarce. The inherent contradiction between degrowth and the dominant economic model impedes the realisation of viable alternatives within the current framework. This contradiction stems from the fact that the implementation of degrowth principles in the Western world in a way that respects natural boundaries requires either stopping the growth of the economy or even degrowing the economy (Slameršak et al., 2024). Maintaining an organisation that aligns with such principles is in direct opposition to the way Western society operates. The highly challenging task of maintaining an organisation that opposes the evolution of current institutions designed to foster economic production directly contributes to making degrowth alternatives difficult to find, with the current literature lacking examples about banking.

Nevertheless, a small group of banks, commonly called ethical banks, emerged in Europe in the late 1960s and may tell a different story. While previous initiatives in the financial sector focused on challenging one dimension of modernity, this group of banks, which started with the GLS Bank in Germany, has direct roots in historical movements which, together, formed a comprehensive critique of the modern ideology parallel to degrowth narratives, see Figure 1.

These historical movements each contribute to critiquing modernity, created during the Enlightment Age, and led to the liberal and neoliberal framework that shapes modern economic, social and political systems. This was critiqued by the associationist movement of the nineteenth century that challenged individualism, offering instruments such as the cooperative legal status and credit union in response. The environmental movement of the 1960s critiqued productivism based on linking the economic dimension to environmental destruction. Finally, the anthroposophical movement, that follows the spiritualism revolution during the Enlightment Age, emerged in the early twentieth century and reflects both associationism and environmentalism. It became very active in the creation of organisations that were environmentally and spiritually motivated, especially during the 1970s, aided by the rise in the popularity of environmental concerns. One of the resulting alternatives created by the anthroposophical movement was the ethical banking movement, which conveys a discourse that reflects a critique of modernity, while the result of liberalism created the modern banking movement, that focuses on corporate social responsibility (CSR) and socially responsible investment (SRI).

In light of the revival of the Environmental movement of the 1960s, ethical banks can be an important source of information for the degrowth movement. Ethical banks can inform on how an alternative to modernity is understood and reappropriated by their stakeholders. They can also put into perspective the fundamental oppositions highlighted by degrowth proponents between market logic and environmentalism while further highlighting the compatibilities that can be continued in the perspective of a sustainable transition. Their perspective may also provide insights into how other values, as opposed to the modern mantra of profit maximisation, can lead to the legitimisation of different organisations, activities or relationships. These are among the ways that ethical banks can offer valuable insights into the degrowth movement as an alternative to the current modern ideology.

Therefore, this thesis contrasts the narrative of modern banking with the narrative of ethical banking, with the former being connected to a *weak* interpretation of sustainability, and the latter being connected to a *strong* interpretation of sustainability. In other words, this research postulates that modern banking hypothesises full substituability of natural resources, while ethical banking hypothesises a limit to substituability of natural resources. The first interpretation of sustainability linked to modern banking reflects a context in which economic growth can be infinite under the assumption of technological progress which can solve environmental-related issues, while a strong interpretation, which is potentially linked to ethical banking, reflects a context in which the economy is limited in size by planetary boundary. Therefore, this is why ethical banking is explored as an example of practices, processes and moral values for degrowth banking.

Finally, in a context driven by a narrative of progress, it is unclear how doing *less* can be valued. Indeed, Allan Watts, a prominent figure in the 1970s environmental movement, argued that "as muddy water is best cleared by leaving it alone, it could be argued that those who sit quietly and do nothing are making one of the best possible contributions to a world in turmoil" (Watts, 1957, p. 155). In the contemporary Western context, this perspective suggests that any additional activities inevitably result in greater harm to the natural environment and social inequalities than would be the case if no action were taken. While ethical banks do not adopt a passive stance, they propose an alternative banking model that is deliberately limited in scope and guided by a strict moral agenda. Therefore, the objective of this research is to provide valuable insights into the perspective of degrowth in the context of banking and, to examine how ethical bankers interpret and legitimise selfless activities.

1.2 Research Goals and Outline of the Thesis

This overview seeks to frame the main overarching goal of the research, which is to understand the ideology of ethical banks to inform on degrowth principles in banking and to provide real-life examples of underlying degrowth banking theories. This research seeks to qualitatively investigate the social culture and norms in ethical banks from the perspective of the critique of banking put forth by degrowth to offer the foundational principles for a banking model following degrowth principles.

The thesis begins with an introduction to the key observation that motivated this research project. Despite ongoing efforts towards sustainable development and the widespread implementation of sustainable policies and practices in economic and banking organisations, modern societies continue to contribute to environmental destruction and to the rise in inequality that threatens to increase the global level of poverty, even in the Western world (Chapter 2). Given its pivotal role in economic systems, the banking system was identified as a key target for the United Nations (UN) in its effort to define and promote the concept of sustainable development. Central to sustainable development proponents, banks are described as one of the most important promotors of sustainable development. However, the implementation of sustainable development in banking is questioned, given the states of the natural and social environments, based on a critique of modernity.

Thus, this second chapter continues by outlining the current debate between modern and anti-modern interpretations of sustainability, the latter giving rise to the degrowth movement. Degrowth aims to remain within planetary boundaries by sizing human activities to a level that allows humanity to preserve natural resources in a socially just way. However, while proponents of sustainable development see the banking industry as a central part of the solution, degrowth is more critical, with literature from the movement going as far as calling for the abandonment of the banking system, based on two critics: the argument that banking creates an intrinsic growth imperative and that banking is fundamentally undemocratic.

However, a group of banks presenting themselves as an alternative to the current modern banking industry, use a discourse that responds to the two critiques of degrowth, namely ethical banks. The second chapter concludes with a presentation of ethical banks, which are offered as a key example to understand and inform on degrowth's critique towards the banking industry.

Following these observations and given the emerging nature of the field of ethical banking and its unexplored links to degrowth, this study adopts an inductive approach guided by broad research questions instead of pre-defined hypotheses. For this reason, the research took the form of an exploration based on the following research questions and objectives (see Table 1). The first aim of this research is to identify the moral frameworks of the historical origins of ethical banking from the perspective of modernity. The second objective relates to the first critique of degrowth of a fundamental growth imperative in banking and aims to assess the discourse of employees comparing their ideology to that of modernity. The third objective of this research is to assess the governance systems in ethical banking from the perspective of employees, including the interpersonal relationships within ethical banks, assessed in the perspective of modernity to inform the second critique of degrowth concerning the lack of democratic participation in banking. These three objectives make up the overarching goal of this research, which is to provide the key foundational principles of a banking model that follows degrowth principles within a high-income European banking context.

Main research question	How are European ethical banks challenging the ideological values of modernity and how do they relate to the two critiques: productivism, and individualism put forward by the degrowth movement? (Chapter 7)		
Goals of the research	G.1. Identifying ideological values of modernity of European ethical banking adopting a historical perspective (Chapter 4)	G.2. Analysing ethical bank employees' discourse and comparing their narrative with the ideological values of modernity, thereby evaluating the first degrowth critique of productivism (Chapter 5)	G.3. Assessing the governance and interpersonal relations of ethical bank employees in view of the second degrowth critique of individualism (Chapter 6)

Research sub-questions	R.Q. 1.1. What type of historical values have been the main influences in the European ethical banking movement?	R.Q. 2.1. How do the publicly-stated missions and employee's narratives of ethical banks relate to the historical values of ethical banking?	R.Q. 3.1. How do ethical bank employees describe their governance system and social structures?
	R.Q. 1.2. How do historical values of ethical banking compare to ethical banking characteristics identified in scientific literature?	R.Q. 2.2. How are European ethical banks challenging the first degrowth critique of productivism?	R.Q. 3.2. What types of arguments and values are used to support these governance systems, thereby questioning the second degrowth critique of individualism?

Table 1: The link between the main goals of the research and the research questions.

Chapter 3 presents the methodology used to achieve the three research goals and to offer key principles for degrowth banking. The chapter outlines the relativist epistemological perspective adopted for the fieldwork, which reflects the complexity of the field of banking and the lack of literature supporting this research. In turn, the chosen method describes why it values the knowledge from both the literature and the informants to guide the fieldwork process and the collection of data. The chapter explains the process of theoretical sampling, which directed the evolution of the fieldwork, from aiming to create opportunities in the field while allowing the field to take various directions according to new findings. The chapter presents the content collected, comprised of public documentation, including the ethical criteria applied to loans and investments, and interviews with key stakeholders in sustainability decision-making in modern and ethical banks. The chosen methodology for the analysis and interpretation of the collected content is justified, and uses thematic analysis to highlight the most common moral values, discourses and social structures in the collected content. Finally, the chapter presents the definite sample, which results from the choices made in the fieldwork designed to reflect the three goals of this research, and specifically, the critiques put forth by degrowth in the context of banking.

The fourth chapter brings a novel interpretation of the historical origins of ethical banks based on the perspective of a critique of modernity. This offers an understanding of the inspiration of ethical banks based on their origins that, together, create a comprehensive challenge of modernity, leading to a potential alternative banking system that answers degrowth's critiques.

Connecting ethical banking and degrowth together allows tackling the second aim, which is to identify the response of ethical banks to the first critique of degrowth: the growth imperative intrinsic to banking. The fifth chapter explores the narrative in ethical banking that relates to challenging the emphasis on the economic dimension of modernity. This chapter discusses the central mission of ethical banks and the types of employee narratives that legitimise their activities. These narratives are put into the perspective of sobriety and sufficiency within ethical banking to understand how they could inform on degrowth's first critique. Chapter 5 aims to understand if and how the selected sample relates to a sufficient outlook on profitability in banking and the argumentative process leading to the justification of more sober activities in a way that introduces an alternative moral framework from modernity's emphasis on an economic dimension.

Chapter 6 addresses the second critique of banking found in degrowth literature, namely its undemocratic nature, using the example of ethical banking. Specifically, this chapter attempts to investigate the governance and structure of ethical banking from the angle of the modern emphasis on individualism. This involves identifying the motives behind using the forms of organisation and transparency that ethical banks claim to implement. These motives are key to understanding whether these forms of organisation can inform on degrowth's critique towards democracy in a way that can contribute to offering a new prospect on creating a more democratic banking system that aligns with degrowth.

Based on the results, Chapter 7 discusses banking from the perspective of the degrowth *project of society* in, which aims to offer a social organisation based on norms that legitimise limiting human activities to within the planetary boundaries, accompanied by an ambitious redistribution of resources. This chapter assesses how the examples of ethical banking can help point out the way in which banking could be transformed to accommodate degrowth principles and values. This last chapter, therefore, aims to identify how the collected material contributes to proposing the foundational principles of a bank that follows degrowth principles.

The conclusion provides a summary of the findings based on an understanding of the ideological degrowth discourse informed by the example of ethical banks. It presents the limitations, boundaries and opportunities of this research based on the challenges and perspectives found. Finally, it offers a recommendation to banking stakeholders to apprehend sustainability in a more ambitious manner, as well as the recommended accommodation to implement a degrowth model of banking in the current circumstances.

1.3 Contributions and Limitations of the Research

This research makes a significant contribution to the field of degrowth by exploring the intersection between ethical banking and the theoretical framework of degrowth. It demonstrates how the ethical principles of banking can address the criticisms of degrowth towards the banking sector. Furthermore, it provides insights into how degrowth principles can be applied to the banking sector to challenge prevailing notions of modernity.

By situating the concept of ethical banking within the framework of degrowth principles, this research offers a novel perspective on alternative banking practices, particularly in comparison to the prevailing modern ideology of profit maximisation. It demonstrates that by integrating the critiques of productivism and individualism based on altruistic objectives and the legitimisation of solidarity, a discourse aligned with degrowth principles can be coherent within the context of banking. These findings are essential for grasping the potential for transformation in the banking sector.

Moreover, this research offers insights into the historical origins of ethical banking, rooted in the movements of environmentalism, anthroposophy, and associationism. The research examined the ways in which these movements shaped both the ethical and business models of ethical banking institutions in a manner that provides an alternative to the modern ideology, reflecting the dual critique of banking put forth by degrowth.

The challenges encountered during this fieldwork, particularly regarding gaining access to the banking sector and discussing ideologies within the context of real-life organisations, can also provide valuable insights for future research assessing alternative organisations. A significant methodological outcome pertains to the recognition of the field as a source of guidance for the study, which proved instrumental in advancing the fieldwork and solving the blockages encountered. The flexible research questions and theoretical form of sampling were key in capturing opportunities to succeed in the objectives of this research. In the future, this research focusing on an idealistic perspective would benefit from being complemented with a materialist outlook, focusing on the social structures in place, which could be assessed with methods such as ethnographic observations. By integrating a similar approach in terms of flexibility of research question and sampling, opportunities for ethnographic observation could be created in ethical banking, even concerning the relative secrecy in the field of banking.

Finally, the rising popularity of the concept of degrowth presents an opportunity for banks and regulators to reevaluate their values considering modern environmental and social challenges. However, it is crucial to ensure a meaningful implementation of degrowth, which is a concept that is easily misunderstood. This research emphasises a granular understanding of the meaning of degrowth in the context of banking, following the dual values of the modern ideology in banking organisations. In other terms, this research contributes to thinking of degrowth not as a simple attitude which argues for degrowing the economy but as a social project which aims for a just and sustainable society in which banking has a place.

Following the discussion of the thesis contributions, it is necessary to address the accompanying limitations. First, degrowth is not a field that can be understood as a uniform theory but rather represents abundant discourses and ideas. While degrowth proponents are bound by the double rejection of the modern ideology's attributes and the purpose of living within the planetary boundaries, the interpretation of these characteristics is broad and diverse. This diversity is essential to better understand the nuances of the critiques of degrowth, but such a goal is beyond the scope of this thesis. Therefore, this thesis focuses on what is relevant in the field of banking and interpreting it in the context of modernity.

Ultimately, this thesis examines the narrative of ethical banks and the motivation behind the adoption of selfless principles in perspective of the imperative for self-limitation found in degrowth. It offers a profound understanding of how a degrowth financial alternative can be implemented in the context of modern banking and how it can maintain legitimacy with stakeholders, thereby making an essential contribution to the field of sustainability in banking.

2 Sustainable Development: A Twofold Failure

Introduction

The United Nations (UN) first introduced the concept of sustainable development almost 50 years ago. According to the UN, sustainable development can be defined as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission On Environment and Development, 1987). Development was originally defined in economic terms, and two additional goals were subsequently introduced with the objective of ensuring its sustainability: the eradication of poverty and the addressing of environmental issues. Nevertheless, present-day evidence indicates that poverty remains prevalent, while growing disparities within countries, particularly in Europe, are eroding the foundations of past social welfare initiatives. The pressure on the environment is increasing, with global emissions of greenhouse gases rising steadily, which could threaten the survival of modern human social organisations and systems. The banking system, which features sustainable development in the narrative of the biggest actors, contributes to these mounting issues.

This chapter begins by detailing the context of a double failure, with banking being put in the perspective of these shortcomings as a crucial component of modern societies and the central component of this research. The shortcomings are further put into perspective of the values that underpin them in the current modern ideology that has characterised Western society for the past four centuries. In view of these considerations, this chapter continues by investigating banking from the aspect of a direct alternative to sustainable development: degrowth. The principles and ideas of degrowth primarily critique the evolution of sustainability in the context of modern ideology, which has been the dominant and legitimising force for Western industrial nations since the sixteenth century. This chapter examines the modern ideology and the degrowth literature in the context of the Western banking industry, focusing on the instruments and imaginaries that support and legitimise banking practices. Finally, ethical banking is introduced as a potential case study, offering insights into the limits of sustainable development and the prospects of degrowth.

In summary, this chapter describes the motivation of this research and the reason behind selecting ethical banks as objectf of study in the circumstances of the current worrying trends in social and environmental issues.

2.1 The Changing Perception of the Industrialisation Narrative in the Face of its Limits in the 20th Century

2.1.1 The Shift Towards Sustainable Development: Addressing Industrial and Environmental Catastrophes

The middle of the 20th century was marked by a worryingly increasing trend in industrial and environmental catastrophes, contributing to changing the narrative of industrial development. These catastrophes were widely reported in the media and showed that the development of industrial activity could be a threat to human development. While industrial activities have created vast working opportunities and were a sign of success and progress, the catastrophes highlighted another side of the Industrial Revolution, which began challenging the industrial development narrative.

This was driven by an increase in the frequency and impact of accidents since the 1950s (Bourg & Salerno, 2015). For example, the Great Smog of London in 1952 resulted in the deaths of over 4,000 individuals in the first few weeks, with a further 8,000 deaths occurring over the subsequent three months (Laskin, 2006). The 1956 mercury pollution in Minamata Bay was similarly traumatic, resulting in severe neurological damage of those exposed, as well as among their children. The 1968 Santa Barbara oil spill is another illustrative example of an event that prompted heightened awareness of the environmental impact of industrial activities. An offshore drilling operation to access a deepwater well for oil and natural gas extraction blew out and began releasing its contents into the ocean. Multiple complications, such as high winds and strong currents, made any effort to contain the spill impossible for ten days. As a result, 'residents and workers picked up dead birds and brought countless oil-covered birds to bird rehabilitation centres for treatment. Few birds survived' (Spezio, 2018, p. 3). These three incidents are examples of catastrophic industrial accidents, but there have been many others, such as the explosion of a refinery near Lyon, France, in 1966; the spread of toxic fumes from a chemical plant in Seveso, Italy, in 1976; or the explosion of a pesticide factory in Bhopal, India, in 1984. These deadly incidents highlighted a dangerous trend in the industrial sector.

At the same time, experts alerted on larger and uncontrolled anthropogenic environmental impacts. In particular, in 1962, Rachel Carson highlighted how Dichlorodiphenyltrichloroethane (DDT), a pesticide designed to target insects and other so-called pests, actually ended up affecting the whole food chain, leading to an important loss of the bird population, famously writing, 'In nature, nothing exists alone' (Carson, 1962, p. 51). Such accounts made it clear that industrial disasters were only a fraction of what was to come, as growing environmental pressure would go far beyond local catastrophes to affecting the well-being of present and future generations on a global scale.

During this period, the United States' war in Vietnam created a social countermovement to support peace and social justice, such as fighting for minorities. Faced with the observations mentioned above, these concerns merged into a global environmental movement, notably after the experience of seeing the Earth from space for the first time in 1968, which displayed the fragility of ecosystems. This global environmental movement was notably formalised with the launch of Earth Day in the USA in 1970, designed to both support peace and social justice, and the protection of the environment. This led to more than 20 million people gathering throughout the USA. In Europe, this movement was echoed and further developed, especially following the 1986 Chernobyl catastrophe. Building on the critique of the industrial and economic system, this created a global awareness of the environment, which gave rise to the concept of sustainable development.

2.1.2 Redefining Development Narratives: The Birth of Sustainable Development

Until now, development programmes found in world organisations such as the UN aimed to promote peace by relying on a narrative of industrial and economic development. For instance, the United Nations Development Programme (UNDP) linked economic development to the creation of conditions for poor minorities all over the world to have a means to support themselves. Such programmes were successful in reducing the share of the world population that lived in poverty, which they reduced from 76% to 53% by the 1950s, subsequently legitimising industrial development as the most important conveyor of international cooperation and human development (Roser, 2024). By the mid-1950s, however, disasters and unexpected adverse effects of industrial development threatened this legitimacy. This resulted in the necessity for a redefinition of the narrative of development in a way that could maintain the original objective of poverty alleviation while responding to the increasing environmental threats. *Sustainable development*, named for the first time in the 1980 World Conservation Strategy, was thus born out of a joint effort between the UNDP, the World Wildlife Fund (WWF) and the International Union for Conservation of Nature (IUCN). This was followed by the creation of the Brundtland Commission, which the UN tasked with defining the principles and goals of the concept of sustainable development. In 1987, the commission published the report 'Our Common Future' that featured two main objectives: poverty alleviation, which was inherited from the previous programmes, and the conservation of nature. This commission, along with the concept of sustainable development, offered the promise of more responsible industries, subsequently aiming to preserve the UN's core objective of maintaining peace with the development of economic activities.

The poverty alleviation goal was not the only inheritance from previous programmes. In fact, the principle of economic development was featured as a central goal in sustainable development. For instance, the report defined that the 'most basic of all needs is for a livelihood: that is employment' (World Commission On Environment and Development, 1987, p. 49). Considering employment as a basic need relates directly to the ability of individuals to equally access economic systems, while the consideration of it being the most basic of all needs highlights the central place granted to productivism. The Brundtland report thus maintained the narrative of the UNDP on poverty alleviation based on the development of economic opportunities and put it into the perspective of the goal of environmental conservation.

While the advancement of sustainable development mostly stayed between diplomats in the beginning, this changed in 1992 when the UN decided to launch a series of yearly conferences commonly called the Conferences of Parties (COP). Indeed, starting with the 1992 'Rio Earth Summit', COPs were designed to bring together the 'parties', i.e., the signatory countries of the original framework on climate change, as well as promoting the concept of sustainable development to the economic sector. The latter was described as a key area to the success of the concept. It is said that Maurice Strong, the secretary of the conference, argued that the most effective way to popularise sustainable development in the business sector was to get business leaders on board with sustainable development, making them the promoters of the concept rather than the UN (Timberlake, 2006). This is how they managed to recruit a group of forty-eight international business leaders to self-organise and create the Business Council for Sustainable Development (BCSD), who actively participated in the summit by producing a report entitled 'Changing Course: A Global Business Perspective on Development and the Environment'[1]. In effect, these leaders became promoters of the concept and contributed to international companies' widespread adoption of sustainable development principles. As a result, sustainable development went from purely diplomatic to being widely reinterpreted in its economic dimension.

2.1.3 Role of the Banking Sector in Promoting Sustainable Development

In this context, the banking sector was key in actively promoting and developing the concept of sustainable development. In a modern economy, bank loans and investments are necessary to enable the development of economic activity, and thus, for the UN, the development of companies that promote its concept. Since banks have the power to leverage their assets to loan more money than they possess (and effectively create money), they are one of the most critical factors for the success of modern economic development (Huber, 2017). Their central role in modern markets made the banking industry a direct target for promoting sustainable development.

As a result, the UN formed partnerships with a small group of commercial banks to create the United Nations Environmental Programme Finance Initiative (UNEP FI) in 1991, an initiative that defines itself as 'the first organisation to engage the finance sector on sustainability' (UNEP FI, n.d., 1st paragraph). The UN also leveraged the BCSD to target the financial sector, resulting five years later in the release of a book named *Financing Change: The Financial Community, Eco-efficiency, and Sustainable Development* (Schmidheiny, 1996). According to Weber (2012), this book led to the creation of a multitude of different initiatives in the

[1] Coincidently, when the UN wanted to promote sustainable development to leaders, they tasked Stephan Schmidheiny with the initiative, which he successfully carried. However, he later became renown for the involvement of his company in the asbestos scandal. Schmidheiny was accused of the indirect death of 3'000 people in Italy exposed to asbestos while knowing the risks of this material.

financial sector, such as sustainability indexes, and popularising pre-existing financial practices such as socially responsible investment (SRI) products. Finally, in 2003, a group of private financial institutions, in collaboration with the UNEP FI, were among the first to establish international sustainability standards in the financial sector. They designed a set of tools and principles in a standard called the Equator Principles for project finance to help banks screen the activities they finance for principles of sustainable development. This standard comprises ten different principles, from environmental and social risk assessments to application and management, as well as reviewing stakeholders' engagements or the level of transparency. Based on public-private partnerships between the UN and private banks, this became the first standard in the banking industry to tackle both environmental and social assessment in the context of project finance.

Furthermore, the UNEP FI facilitated the creation of the Principles for Responsible Investment (PRI) in 2005, which set out principles for the building of an investment portfolio based on sustainable development. Additionally, the PRI granted a central role to the banking industry in the aforementioned processes (Weber, 2012). This initiative outlined related principles that targeted what they described as environmental, social, and governance (ESG) assessments for the creation of portfolios of investments. Notably, the PRI supported the argument for sustainable development as a better long-term profitability strategy for the financial sector by improving the risk assessment of investments. Therefore, the PRI could also be used to convince financiers to meet their financial duty, i.e., their obligation to act in the best interests of their clients and shareholders. Following these initiatives, the Principles for Responsible Banking (PRB) were later created in 2019, offering bank-specific goals and instruments such as collaborating with borrowers to offer advice and support for them to align their projects and organisations with sustainable development targets. In this context, the high involvement of the UN towards the banking sector and the strong development of solutions for bank-specific objectives emphasise a perspective of banks being regarded as vital to economic development and the implementation of sustainable development.

2.1.4 Successes and Challenges in Sustainable Development Implementation

Sustainable development emerged as a response to the growing threat of industrial disasters and environmental degradation that challenged the legitimacy of the UN narrative. This legitimacy crisis led to the creation of a model that tried to link both the preservation of modern conditions for economic development by mitigating environmental degradation and reducing poverty. In fact, demonstrating how economic development can become a force for environmental protection is an important strategy to ensure the legitimacy of the development of Western ideologies, which could be threatened by social movements such as those from the environmental movement of the 1970s.

Thanks to public-private partnerships to develop international standards and to promote the concept, sustainable development has become such a success story in terms of reinterpretation in industries around the world that it has become the norm when discussing sustainability (Roosa, 2016). For example, the Governance and Accountability Institute 2022 annual report found that 98% of the largest US public companies included sustainable development goals in their report[2] (Governance and Accounting Institute, 2023). Following this trend, in the financial sector, reporting based on sustainable development was found in all systematically important banks (SIBs) in Europe. In 40 years, the concept of sustainable development has been featured in policies, in business organisations and the banking industry, and sustainable development goals (SDGs) are widely used to create objectives and measures to assess progress in terms of sustainability (Roosa, 2016).

However, this success is contrasted by an opposing observation: the failure of policies and initiatives based on sustainable development to achieve the two original objectives of poverty reduction and environmental protection. Indeed, while the discourse of countries and companies has been strongly aligned with that of UN initiatives, this has not resulted in the anticipated outcomes on a global scale. The following chapter presents the current environmental and social context and situates it within the context of how modern

[2] This figure refers to the S&P 500, which represents the largest US companies by market capitalisation.

banking practices are, in fact, contributing to these mounting issues, thereby failing to address the most pressing modern challenges: environmental destruction and social justice.

2.2 First Missed Target: Poverty Alleviation Policy

2.2.1 Poverty Alleviation Programs: Initial Success and Current Challenges

The poverty alleviation programme, the first stated goal of sustainable development, is aimed at the poorest part of the world and has succeeded in significantly reducing its share. Since the introduction of sustainable development programmes in the early 1990s, extreme poverty (defined as less than $1.9 per day until 2022 and $2.15 afterwards) has declined threefold[3] (World Bank, 2023). Indeed, since the 1990s, the rate of decline in extreme poverty has been twice as fast as before. When viewed from this perspective, poverty reduction displays a strong positive trend that provides substantial evidence in support of the work undertaken by the UN over decades to reduce poverty.

However, this initial period of success is currently stalling, especially with the effects of the Coronavirus disease 2019 (COVID-19) pandemic. Indeed, current projections still predict six hundred million people will suffer from extreme poverty in 2030 – only down from seven hundred million today. Worryingly, other measures related to poverty are also expected to be affected by the current plateau, such as child mortality, access to education and food security (Moyer et al., 2022). In the latter case, undernourishment has been on the rise again since 2014 and even more so since 2019 (Ritchie et al., 2023). This represents a contrasting picture of the poverty alleviation programme of the UN.

While industrial European countries are among the richest countries in the world, they are no less affected by the worrying trends found in poverty-related indicators[4]. Poverty in Europe, defined as the share of the population below 60% of the median income threshold, has increased in most European industrial countries, especially since the 1990s (Hasell et al., 2023). Since 2012, the trend has become even stronger

[3] Data on the impact of the pandemic and the Russia-Ukraine war on extreme poverty are not yet widely accessible, yet the World Bank described that progress was stalled by the pandemic and Ukraine crisis and mentioned the number of 700'000 people living in extreme poverty in 2023, based on their updated $2.15 a day extreme poverty line.

[4] Due to elevated levels of income in industrial countries, an absolute measure of poverty such as the $2.15 does not apply in such cases in these countries. Therefore, a relative income comparison is a better representation of the level of poverty in European countries.

at 40% of the median, highlighting an acceleration of the phenomenon for the poorer part of the population. In addition, the portion of the population severely materially deprived in European countries has increased since the subprime crisis of 2007-2008 (Knibbe, 2015). Finally, these trends do not show any sign of slowing down or reversing despite being specifically targeted by sustainable development policies and principles. Since WW2, European countries have been notoriously successful in increasing the living conditions of their citizens. However, this period may be coming to a halt.

2.2.2 Reinforcing Mechanisms of Inequality

Should the redistribution system lack ambition, inequalities can reinforce themselves in a way that can threaten the progress made in reducing poverty (Piketty, 2013). Indeed, if the gains are not reinvested in a manner that favours the middle and lower incomes, any gap between wage and capital will only increase over time. Under the capitalist system whereby wealth is accumulated, and compound interest is applied, the greater the wealth a person possesses, the greater their ability to accumulate, thus creating an ever-increasing trend of wealth accumulation. If the mechanisms of society were to align with the neoclassical assumptions, this would be inconsequential, given that the money in question does not remain stagnant in an account. Rather, it is used for consumption and investments, which should be redistributed throughout the economy and benefit all members of society. However, the concentration of wealth confers greater power upon those who possess it, allowing them to influence economic processes and reclaim a disproportionate share of the resources in circulation at an ever-increasing rate. Consequently, without deliberate efforts to counteract this trend, inequalities persist and deepen, perpetuating a cycle of disadvantage for the most vulnerable members of society.

The self-reinforcing phenomenon of capital accumulation is clearly illustrated in Figure 1. The figure presents a ratio between the level of private wealth in France, Germany, and the United Kingdom, in comparison to the level of income, as documented by Piketty (2013). A high ratio indicates that the opportunity to access wealth with income is limited, as exemplified by the 'Belle Époque' period in France. During that period, the aristocracy held much of the wealth of the nations, remaining in the same families because of inheritance. Most of the wealth was invested in public bonds, and the annual payments received were significantly higher than the remuneration of most workers. During that period, it was next to impossible to gain access to the level of wealth enjoyed by the aristocracy, except through inheritance (ibid.). Indeed, in cases of high inequality, the aristocracy kept control of the capital within a narrow circle, leaving few opportunities for others to access it. Consequently, this situation deprived those with fewer resources of the opportunity to improve their circumstances, as illustrated on the left in Figure 1, where private capital is disproportionately higher than income.

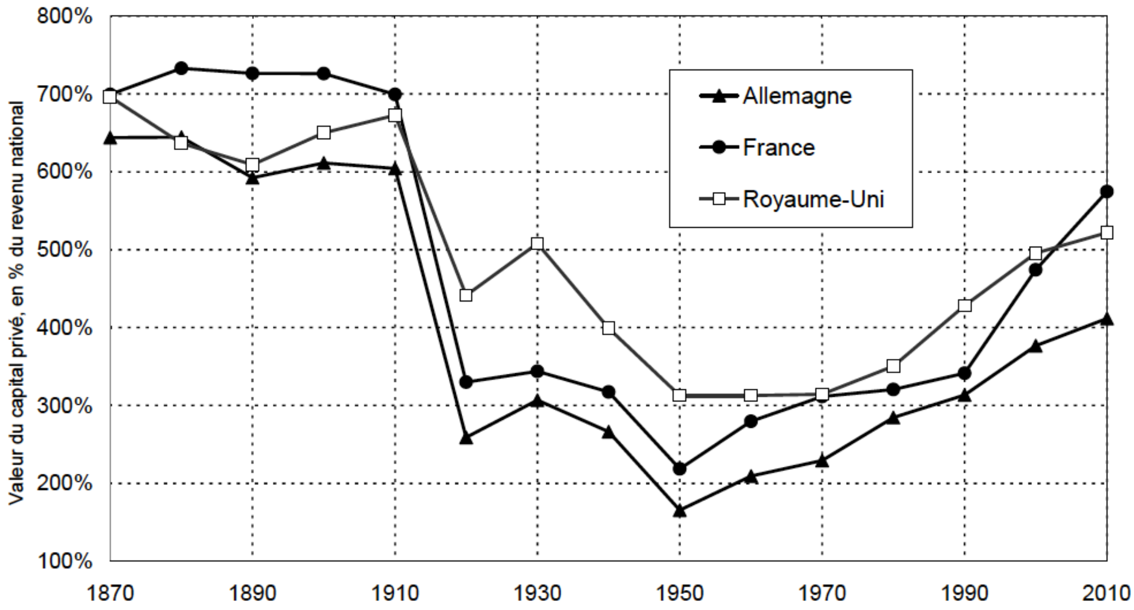

Figure 1: Private capital to national income ratio in Germany, France and the United Kingdom, 1870-2010. Extracted from Piketty (2013), Capital in the Twenty-First Century.

Attempts to reform the status quo were made through revolutionary movements, such as the French Revolution, which resulted in the replacement of the aristocratic class by a capitalist one. However, it did not result in a direct transformation of the context of inequalities, even in terms of access. Indeed, in this evolution, the wealthiest members of society had greater capital with which to acquire the means of economic production, including machinery and buildings, as well as shares in companies. Therefore, since these means of production were redistributing the result of the productive forces of workers to capitalists, the more workers were excluded from owning these and the less opportunity they had to increase their financial resources, as highlighted by Engels and Marx in their analysis. This characterises the second half of the nineteenth century, during which private capital, compared to private income, remained high. Indeed, the level of private capital was equal to seven years of private income during the nineteenth century (Piketty, 2013). This demonstrates that the French Revolution did not directly result in a significantly fairer system by shifting the subjugation of the poor from the aristocracy to the capitalists.

By the 1950s, the ratio between private capital and national income significantly decreased to an equivalent of two to three years. In this context, economic resources became more accessible to workers because of two connected phenomena: firstly, workers earned higher amounts of remuneration, and secondly, the wealthiest were less wealthy and had, therefore, proportionally less ability to create gains from capital. This resulted in a greater redistribution of economic gains than during the period of La Belle Époque, thereby allowing workers to seize a higher amount of the capital generated from economic activities. Indeed, the reduction in wealth inequality, coupled with the context of the Industrial Revolution, created the conditions for European countries to reduce poverty effectively and significantly by fostering the emergence of a middle class.

However, Piketty emphasised that the nature of this reduction in wealth inequality was not linked to the market mechanism, despite common assumptions. Conversely, the observed improvement in the reduction of inequality and poverty is attributable to the destructive impact of World Wars I and II, which resulted in the loss of private property and the nationalisation of companies during wartime. While the capitalist logic in place, compared to the former aristocratic one, allowed workers to claim a part of the wealth and create a middle class, it still required a powerful event that provided redistribution to enable capital redistribution.

This also contributes to explaining why the progress reverted since the end of the wars on the old continent, with an increase in inequality that has accelerated since the 1980s coinciding with the push for sustainable development. Markets themselves are not self-regulating in terms of inequality; on the contrary, they have a natural tendency towards inequality and require incentives to be alleviated, such as in the case of World Wars.

Piketty (2013) argues that if the ratio of private capital gains to losses is not zero or negative, there is a natural tendency for the wealthiest to capture an increasing share of the private income derived from economic development. This is evidenced by the context surrounding the creation and popularisation of the concept of sustainable development, which saw a significant increase in the rate of capital accumulation for the wealthiest part of the population.

This signifies that the redistribution system in place has been insufficient to counterbalance the natural self-reinforcing mechanism of capital accumulation. Consequently, any gains from private capital, such as dividends, rents, and the rising value of stocks and properties, have exceeded the losses of private capital in the form of taxes on wealth, inheritance, or inflation.

The natural self-reinforcing ability of capital to help accumulate further capital, coupled with the rise in inequalities, gives rise to a fundamental threat in terms of poverty, even in Western countries. This trend is evidenced by the inability of the poorest part of the population to improve their economic context, while the top 1% have been able to capture the largest per capita share of wealth creation over the past 40 years on a global scale (Lakner & Milanovic, 2013). Indeed, the wealthiest 1% of individuals of the global population have accumulated more than twice the amount of wealth from economic growth than the bottom 50% during the period between 1980 and 2018 (ibid.).

Several mechanisms can be offered to explain this current trend. This can be attributed to today's capitalist system, which is perceived as inherently fraudulent from a socialist perspective. According to this interpretation, the system is designed to subjugate workers to capitalists or, in the context of increasing financialisation in industrialised countries, to financiers. The current circumstances can also be attributed to a lack of ambition towards the use of liberal instruments of redistribution, leading to the conclusion that capital, capital gains and inheritance are under-taxed (Piketty & Saez, 2013).

In both interpretations, the resulting outcome is identical: inequalities are increasing in industrialised countries, endangering the access of the economically disadvantaged to capital and jeopardising past advancements in social welfare. Consequently, the social objectives of sustainable development are becoming increasingly unattainable, particularly in high-income countries.

2.2.3 Financial Sector Contributions to Inequality

The financial sector, which plays a leading role in modern Western economies that are highly financialised, was also identified as a key contributor to the creation of greater inequality.

Notably, the development of the derivative markets is one such example, with consequences that materialised starkly in 2007. Derivatives are contracts that derive their value from an underlying asset. Assets can be physical, such as a stock of apples, or they can be services, such as a mortgage. These contracts are originally used to set a price for a service or a product in advance of the completion of the contract, for instance, to protect against market variation.

This is why, historically, derivatives were financial instruments originally designed to manage risks associated with the supply of commodities. Therefore, these instruments are not new, and accounts of them were found as early as 1750 BC (Pauletto & Kummer, 2012). Until the early 20th century, they were mostly designed to fix the price of exchange before the harvest season to protect farmers against price variations (or other variables, such as a bad harvest, for example) of their products, and the contract would be due when the exchange was settled (ibid.). Conditions in terms of price, quantity and time could be specified and further used to hedge against risks.

Derivatives are, therefore, not a modern invention, but they have recently been reinterpreted in the current environment to respond to developments in the financial markets, both to hedge against risks and to increase the ability to take advantage of financial opportunities.

The current rise of these instruments has also been correlated with the growth of criticism directed towards the financialisation of Western societies, which is argued to contribute to increased economic inequality. The rise of modern derivative instruments can be attributed to two mechanisms that have contributed to the growing inequalities observed in today's Western societies. Firstly, the way in which derivatives have been created has increased systemic risks, which have been well documented as a significant factor in the subprime crisis that affected the poorest part of the population disproportionately. Secondly, some of these instruments are highly effective at increasing the returns on a portfolio. However, their complexity results in higher entry costs, which limits access to these products to those who possess the most. Discussing how finance can contribute to higher inequality in industrialised markets is useful in understanding the perspective of ethical banking in the subsequent part of this research.

The development of derivatives in terms of diversity can be traced back to Reagan and Thatcher, two notorious figures of the new neoliberal movement that began during this period and aimed to stimulate economic growth and innovation by allowing markets to operate more freely. Their goal was to develop economic opportunities to create more wealth, which, in trickle-down logic, creates more opportunities for the rest of society to access markets and subsequent opportunities for better living conditions. This narrative is also the one found in the Brundtland Report, as highlighted previously.

These contracts were crucial to the development of modern markets and risk management. However, they can also be used in a way that increases risks. In fact, while most derivatives are simple contracts, derivatives can also become overly complex and difficult to monitor because of the possibility of creating multiple layers of derivatives, i.e., it is possible to create a derivative of a derivative, and so on. This phenomenon has increased the global interconnectedness of financial markets and complicated the mandates of regulators. Derivatives, and specifically, multiple layers of derivatives, played a significant role in the difficulty of preventing the subprime financial crisis and the scale of the consequences of the crisis. The development of complex financial instruments is notably supported by the previously highlighted emphasis on economic freedom with a focus on globalisation – which allowed for more complex instruments – and the technological progress of computer trading. This development in terms of regulation and technology, when used to take advantage of more financial opportunities rather than a hedge against risk, subsequently leads to more risks, which materialised in the subprime crisis.

From the perspective of the modern increase in inequality, this development presents a challenge in terms of access and stability. First, derivatives can offer better protection against risk and can be used to generate more stable income from capital (Basu & Gavin, 2010). However, the complexity to which these instruments can be extended requires highly technical skills and, thus, higher costs. This is one of the reasons why larger capital has been found to have better long-term investment returns, specifically since big companies were able to hire the best talents (Fragkiskos, Ryan, & Markov, 2018). While derivatives can be used to increase access to financial instruments by reducing risk and, thus, reducing costs and costs of access, they can also increase inequality by limiting access to the best instruments and talents to those with higher levels of capital. Derivatives highlight these issues of repartitions of skills, especially as they can be complex instruments. In consequence, this can make poorer individuals more vulnerable to financial risks and less able to profit from off-market opportunities. In general, higher inclusion in financial services correlates with fewer inequalities, which can be threatened by the outlined trend (Cihak & Sahay, 2020).

Moreover, in developed countries, the trend towards complex instruments in financial services contributes to an overemphasis on financial activities (Cecchetti & Kharroubi, 2014). While the deepening of financial activities in low and middle-income countries is beneficial, the deepening of financial activities in industrialised countries is associated with favouring top incomes in the financial sector and promoting a rent-based economy, which may affect the ability of other sectors to develop (ibid). This further increases the concentration of economic development in the financial industry and in those who capitalise on financial gains (Cihak & Sahay, 2020). There are many factors associated with this trend. Still, most of them are related to the emphasis on the increased complexity of instruments such as derivatives, especially in terms of rising asset management fees and concurrently higher compensation, unequal access to information due to difficulties in understanding the instruments, and the higher risk that derivatives can pose when targeting short-term gains (ibid.). Indeed, derivatives expand the limits of instruments that finance can create, thereby increasing the capacity of the financial economy to grow. An economy that focuses solely on making more money out of money can hinder its ability to produce goods and services, which is the basis in capitalist societies to guarantee equal access to markets for all, and thus contributes to the creation of more inequality by transforming financial services as a support for the economy into something that can become a phagocyte (Cecchetti & Kharroubi, 2014).

This development of increasingly complex instruments, which can be used in a way that increases inequality, is supported by technological developments in finance. Automated trading and computerised risk assessment systems have made it possible to process large volumes of data and to better handle the complexity of multi-layered derivatives. However, at the same time, these systems exclude laypersons from understanding the operations and may complicate regulatory assessments due to the increase in complexity. Moreover, they can create the illusion of risk management. Technologies are not perfect and can have unintended outcomes, such as errors or systemic failures while creating an increasingly complex and interconnected system that may become more vulnerable as a result. While these advances may offer advantages in terms of market efficiency, accuracy and the handling of enormous amounts of data, they may pose significant risks themselves and create more opacity.

This evolution has allowed certain key actors in the financial industry to better hide risky activities, which created the ground for the subprime crisis in 2007-2008, a crisis that directly resulted in an increase in inequality (Mathonnat & Williams, 2020). In fact, financial crises are amongst the most powerful contributors to inequality as a direct consequence of activities in the financial sector (ibid.). The implementation of tighter regulations designed to limit risk-taking in finance following this crisis may decrease financial access, notably for individuals deemed high-risk, such as those targeted by subprime mortgages. This can limit entry to financial instruments or productive debt such as mortgages to this population and further create inequality in relation to the financial sector. In fact, access to bank funding is heavily regulated to avoid systemic risks and, therefore, limits the opportunity for poorer populations to take advantage of the instruments. This contributes to creating a reinforcing cycle of poverty whereby debt is productive for the wealthiest and non-productive for the most vulnerable (Guérin et al., 2018).

To date, no studies have succeeded in demonstrating an empirically verifiable causal link between the contemporary increase in economic inequality and the role of the financial sector due to the complex interdependencies involved. Nevertheless, economic literature has employed models that demonstrate that in countries with higher incomes, the development of the financial economy is associated with increased inequality, a relationship that is particularly pronounced in financial-based economies. Indeed, the greater the investment in a financial economy, the greater the contribution to inequality growth (Brei et al., 2023). These studies demonstrate that the expansion of the financial industry initially facilitates access to financial instruments, which subsequently contributes to a reduction in poverty. However, once a threshold is reached, the continued growth of the financial sector increases inequality by directing capital into the financial industry and towards the wealthiest individuals. This process of financialisation has been observed in industrialised countries, notably in Europe, since the 1980s (Battiston et al., 2018; Greenwood & Scharfstein, 2013).

The relationship between economic inequality and the financial industry is dependent on a few factors. Nevertheless, the reduction of risks within the industry is a fundamental component of the development of poverty reduction programmes. The management of highly complex financial instruments, such as those involved in the subprime crisis, is instrumental to the effective management of systemic risk. However, it can also be a key strategy for reducing inequality, with the objective of reducing the differences in terms of access to financial instruments between varying levels of wealth. It is, therefore, imperative that the banking sector reflects social objectives and the redistribution of wealth in the economy and how it is regulated, and in the models chosen by banks. This is the key to preventing the concentration of wealth at the top, which can increasingly exclude others from access to capital and contribute to the current trend towards a return to the 'Belle Époque'.

2.2.4 Impact on Sustainable Development Goals

In summary, since the beginning of the Industrial Revolution in the nineteenth century, the issues of poverty and economic inequality have decreased significantly. This progress is partly the result of technological advancement (such as agrochemical progress) and partly the result of social advancements (such as access to higher and monthly wages and better access to financial services). Finally, part of this development is related to the aftermath of the World Wars, which decreased the total amount of capital with property destruction and nationalisation of companies. These combined processes made the twentieth century a specific historical period in terms of inequality reduction and contributed to creating better living conditions for most European countries.

However, current trends in inequality indicate that the efforts made thus far have not been sufficiently ambitious to offset the natural tendency of capital to self-reinforce. The international competition to attract high-income individuals and favour economic growth risks undermining the efficacy of welfare redistributive systems while also contributing to an increase in the complexity of financial instruments that can perpetuate existing inequalities. Despite decades of sustainable development designed to decrease poverty, in Europe, the increase in inequality is beginning to create a background for deterioration in living conditions for the majority of the population, as evidenced by the emergence of poverty (Chancel & Piketty, 2022). The current observed growth in intra-country inequality is creating a positive feedback loop that will inevitably lead to escalating poverty, which directly contradicts the first goal of sustainable development, which this section demonstrated.

The current trend is not only contributing to greater economic inequality and poverty; but also contributing to the observed rise in greenhouse gas (GHG) emissions. Indeed, Chancel (2022) noted that the rise in wealth and income inequality since the 1980s has been associated with rising GHG emissions, which now threaten the very living conditions of many present and future beings. The following section discusses how sustainable development has failed to address the environmental protection it sought to achieve, despite this being a crucial aspect of the work of the UN in maintaining its legitimacy.

2.3 Second Missed Target: Protecting Natural Resources and Staying within the Planetary Boundaries

The Industrial Revolution brought with it the realisation that human activities have the potential to impact the natural environment on a global scale. Joseph Fourier was one of the first to hypothesise the role human activities could play in influencing the climate, based on the assumption that the atmosphere was responsible for conserving the energy of the sun (Fourier, 1827). The current increase in atmospheric carbon dioxide concentration and subsequent rise in global temperature have proven Fourier right: human activities are impacting the natural world on a global level, threatening the survival of current forms of society (IPCC, 2021).

2.3.1 Urgency of Climate Action

The issue of climate change has only recently gained traction in the public eye, yet it has long been acknowledged by the United Nations as a significant global threat. Indeed, the Brundtland Report (1987) already discussed climate change but described it as a possibility since it was not yet researched to the extent that it is today. At that time, the report advised policymakers to implement carefully designed policies to control the contributors to climate change due to the time lag that exists between the emission of greenhouse gases and the subsequent change in climate: 'If (governments) wait until significant climate change is demonstrated, it may be too late for any countermeasures to be effective against the inertia by then stored in this massive global system' (World Commission On Environment and Development, 1987, paragraph 23).

Nevertheless, the measures that have been implemented to date have not been effective in slowing the rate at which greenhouse gases are being released into the atmosphere. This is evidenced by the Keeling curve, which is one of the longest-lasting measurements of CO_2 atmospheric concentration. The Keeling curve represents the accumulation of CO_2 emissions in the atmosphere, measured in Hawaii since 1958 (see Figure 2). The time lag effect of CO_2 emissions in relation to reservoir effects and other feedback mechanisms in the carbon cycle gives rise to a slight upward curve, while the cumulative emissions themselves may increase more rapidly. The discrepancy can be attributed to the dynamics of carbon cycles, which encompass time lag effects, feedback mechanisms, and reservoir effects. These factors result in a CO_2 concentration observed in the atmosphere that is tied to past emissions rather than reflecting immediate changes in emission rates. The Keeling curve illustrates an upward trend in the accumulation of CO_2 in the atmosphere, which serves to highlight the ineffectiveness of current efforts to mitigate climate change.

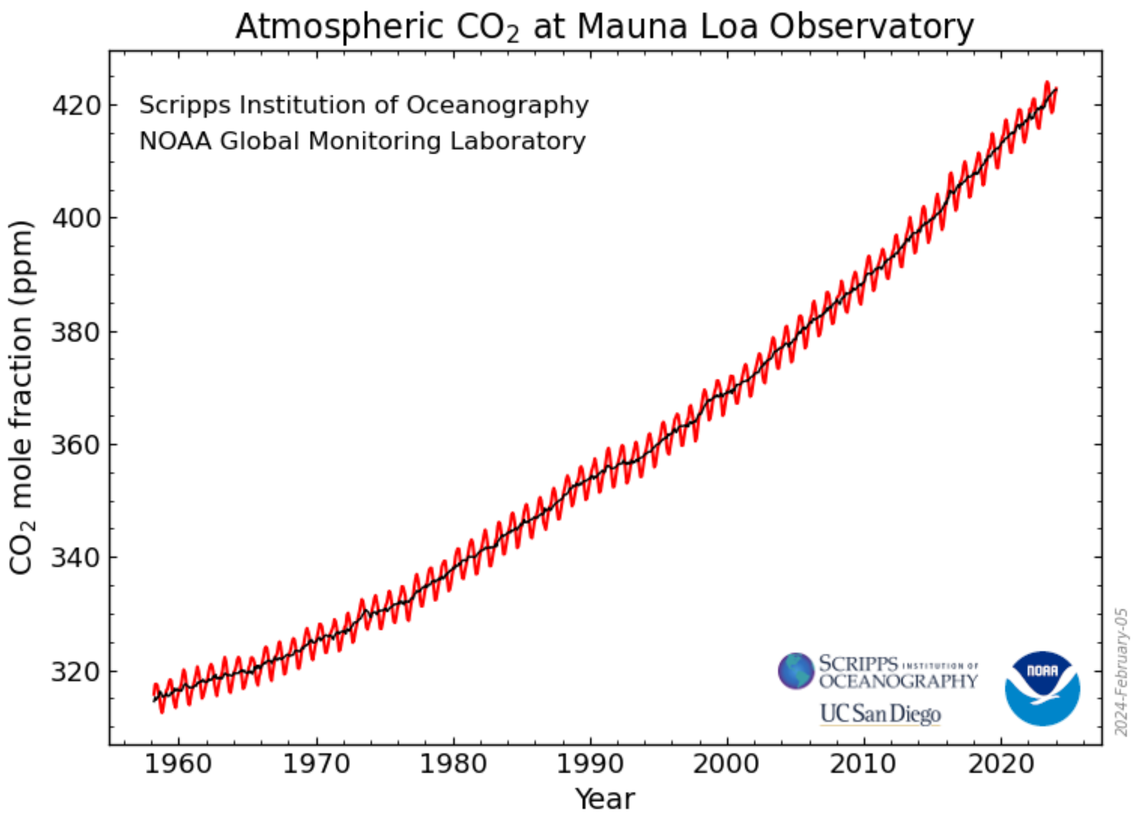

Figure 2: Keeling Curve, 1958-2023, the evolution of CO2 concentration in ppm in the atmosphere measured in Mauna Loa Observatory, Hawaii, extracted from https://gml.noaa.gov/ccgg/trends/

This trend is not to be taken lightly; in fact, the observed increase in greenhouse gas (GHG) concentrations in the atmosphere is extremely alarming. The consequences of climate change, which are currently supported by a substantial body of research, are significant and well-documented by the UN. Indeed, in the wake of the 1987 Brundtland publication, the UNEP, in collaboration with the World Meteorological Organization (WMO), established the Intergovernmental Panel on Climate Change (IPCC) with the objective of obtaining the most reliable review and update on research related to anthropogenic climate change. In its sixth assessment report, the IPCC projected that temperatures will increase by an estimated range of 1.4 to 4.4°C by the end of the century, depending on specific scenarios considered, in comparison to the pre-industrial level.

As a result of the observed temperature rises, extreme weather events, including intense heat, severe precipitation, drought, and rising sea levels, are expected to become more frequent (IPCC, 2021). By cause of the combination of high humidity and temperature, some areas will become uninhabitable, particularly in the tropical band, which is currently expanding because of climate change (Yang et al., 2020). This lack of adaptation also concerns other forms of life, with loss of biodiversity being a direct consequence of climate change.

Furthermore, the IPCC cautioned against a potential worst-case scenario of a 5.7°C temperature increase, which could lead to a future where there is no evidence that human societies can remain viable. In addition, climate change is a self-reinforcing phenomenon that affects numerous systems, many of which exacerbate the warming trend. For instance, the loss of ice caps at the poles contributes to a reduction in albedo, while the melting of permafrost releases methane, a highly potent greenhouse gas.

To reduce the impact of these outcomes in line with the second main goal of sustainable development, namely the protection of the environment, a threshold of 350ppm of CO_2[5] concentration in the atmosphere should not have been exceeded. However, this concentration was exceeded in the same year as the Brundtland publication, in 1987 (see Figure 2). Furthermore, following the initiation of international climate discussions in Rio de Janeiro in 1992, it took 23 years for governments to reach an agreement on GHG thresholds. This was finally achieved in the 2015 United Nations Paris Agreement. Signatories of the Paris Agreement agreed to limit a temperature increase to below 1.5°C and, in the worst case, below 2°C, corresponding to 430-480ppm and 450-500ppm of CO_2 in the atmosphere by 2100. In this respect, to contain global warming temperatures, nations have pledged to reach "net" zero emissions of GHG by 2050 for the 1.5°C goal (or by 2070 for 2°C) (IPCC, 2022). Such a goal would be achievable by a rapid transition

[5] GHG concentrations are not the only measure of climate change, but also radiative forces that consider GHG as well as surface albedo and solar insolation. The equivalent threshold of 350ppm of CO_2 is at 1 W m^{-2}.

to low-carbon social structures and technologies combined with carbon capture and storage (CCS) initiatives (mostly through reforestation and wetland restoration).

Nevertheless, the level of action remains unacceptably inadequate in relation to the effort required to reduce the amount of greenhouse gas (GHG) emissions released into the atmosphere. Furthermore, the potential of CCS to reduce current emissions only accounts for 5-10%, thereby underscoring that the most critical aspect of the transition is the urgent necessity to stop consumption of the primary contributors to climate change: fossil fuels (Nick, 2023). Consequently, the world witnessed the effects of +1.36°C of warming in 2023, which represents a fraction of what is to be expected in the future (NASA, 2023).

2.3.2 The Challenge of Sustainable Development

The current situation highlights a contradiction between the phasing out of fossil fuels and the notion of economic development, the latter being a fundamental aspect of the concept of sustainable development. Indeed, the most crucial resource that economic activity relies on pertains to the production of energy. The observation put forth by Giraud & Kahraman (2014) indicates a correlation between economic development and a corresponding increase in energy use. For example, Jancovici (2015) argues that since 1986, economic activities reacted positively to oil consumption. This is demonstrated in Figure 3, which shows that as oil consumption increases, economic activity also increases.

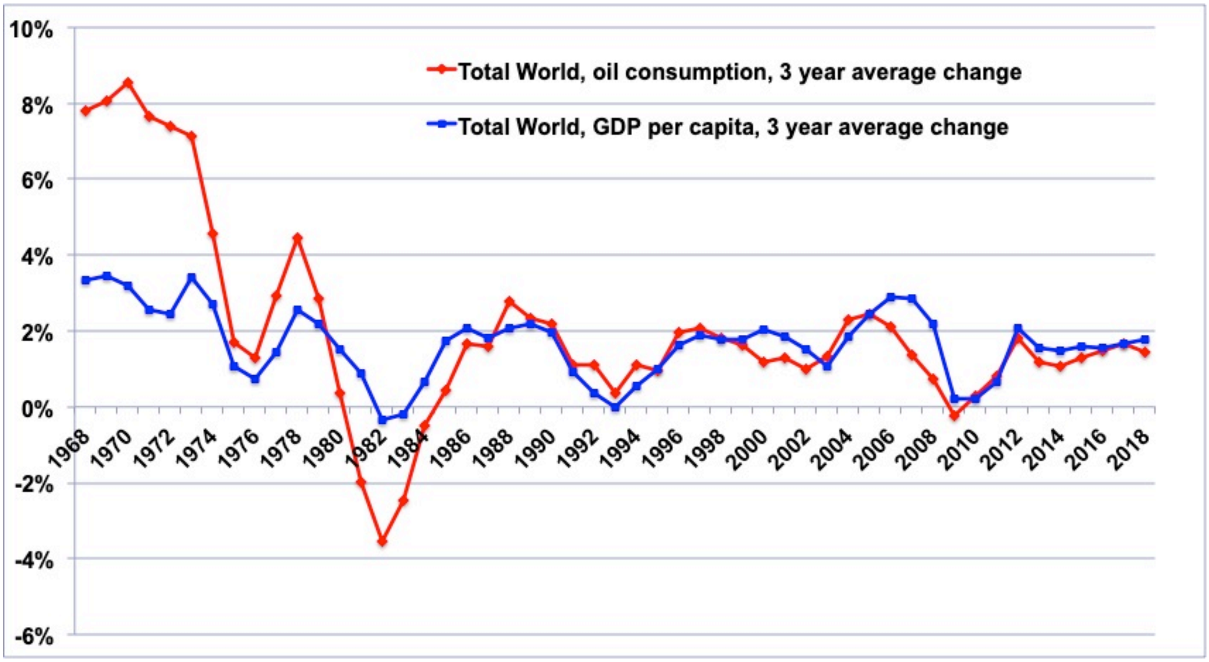

Figure 3: World oil consumption per capita and world economic growth per capita 1968-2018, extracted from Jancovici (2015), Is the price of oil driving the economy? https://jancovici.com/en/energy-transition/oil/is-the-price-of-oil-driving-the-economy/

One of the main reported reasons linking economic development to the expansion of energy use pertains to how energy allows vastly increasing the amount of work that human societies are naturally capable of doing. In fact, the current world average energy consumption shows that human societies are multiplying the work productivity of their workforce by a magnitude of two hundred (Jancovici, 2013). Without a drastic change in technology, in the present context, maintaining a goal of economic development in the future would rather require *more* fossil fuels than less, especially when solving issues with ever-increasing complex technology.

This is why sustainable development aims to develop the technology that would allow the decoupling of economic development from its adverse impacts on nature and natural resource usage. In doing so, the second objective of sustainable development is to increase the carrying capacity of the Earth, that is, increasing the total population that can live off natural resources by reducing the absolute negative impact on these resources and their ecosystems. Therefore, based on this perspective, sustainable development envisages expanding industrial and economic activities while reducing the impact these activities have on the natural environment to zero. In terms of energy sources, sustainable development translates this principle as an "increase and (extension of) the recent steady gains in energy efficiency and to shift the energy mix more towards renewables" (World Commission on Environment and Development, 1987, paragraph 25). Sustainable development, therefore, does not aim to reduce the total energy expenditure but rather the impacts of the consumption of this energy.

Nevertheless, over the past 35 years, the proportion of fossil fuels in the energy mix has declined by a mere two percentage points, from 84% in 1987 to 82% in 2022 (Ritchie et al., 2024). Over the course of this period, the absolute quantity of energy sourced from fossil fuels more than tripled, increasing from 1.5×10^5 TJ to 5×10^5 TJ. Consequently, the expansion of energy use negated much of the progress made in terms of renewable energy production and energy efficiency. While renewable energy sources have experienced a notable increase since the early 2010s, current projections indicate that fossil fuels will continue to serve as the primary source of energy for at least another 25 years (Holechek et al., 2022)[6]. Considering the technological trend outlined above, the authors argue that a shift from fossil fuels to renewable energy sources would necessitate a reduction in energy demand by 75% compared to the current level. They consider this to be achievable only in the event of a significant acceleration in the development and implementation of current technology, along with the emergence of new technology.

Indeed, in the absence of innovative technology, the only means of achieving a reduction in energy demand of this magnitude would be to scale down economic activity to match the requisite reduction in energy demand. Furthermore, while it is theoretically feasible to reduce the GHG emission intensity of PIB to a certain extent, the pace of progress towards achieving net zero emissions by 2050 is still considerably slower than the rate at which these changes are needed. As a result, there is a compelling argument for scaling back the economy to align with environmental limits compatible with the current level of technological advancement.

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[6] The study explains that the current trends, although becoming favourable to renewable energies, are insufficient for creating the means for a shift from non-renewable to renewable energy. The paper offers a scenario for such a shift; however, the authors explain that their hypotheses are based on "some technological breakthroughs and a high level of international cooperation, both of which are uncertain and may not be possible" (p. 19). In fact, this leads them to advocate for an "aggressive development of adaption as well as mitigation measures" (p. 19).

The reality is that there have been significant advances in technology. Nevertheless, this has resulted in only incremental advances in resource substitution and reduction in GHG emissions. This outcome can be attributed to the phenomenon known as the rebound effect. The rebound effect refers to the phenomenon whereby any technological progress towards greater efficiency (such as the reduction in gas consumption of cars) is offset by an increase in consumption (i.e., when cars consume less gas, it creates an incentive to travel further) (Bourg & Papaux, 2015). This relationship is similarly evident in the field of finance. Indeed, the global increase in financing associated with renewable energy sources has been linked to an increase in financing for non-renewable energy sources. The situation persists despite the launch of ambitious initiatives by the industry, including the UNEP FI and the more recent 'Glasgow Financial Alliance for Net Zero' (GFANZ). The prevailing growth-oriented capitalist system provides financiers and bankers with the rationale to fund increasing amounts of non-renewable energy sources, provided that the total investment in renewable energy is simultaneously increased. Indeed, the absence of a robust and enforceable framework, such as an ambitious carbon tax that would render non-renewable energy financially obsolete, has resulted in the continued funding of activities that meet the risk-assessment criteria of banks, despite their contribution to climate change and other environmental and social issues. Consequently, while there has been an increase in the funding of renewable energy projects by banks, non-renewables continue to represent a significant portion of the portfolio of projects funded by the banking industry.

Illustrating this issue, the UN participated in building a framework that tries to limit non-renewable funding yet allows for a simultaneous rise of non-renewable energy. For instance, the UN was involved in the creation of the GFANZ following the 2021 UN climate conference in Glasgow. Later, the financial institutions that made up the GFANZ initiative were further divided into sectoral sub-groups, and they specifically gave rise to the Net Zero Banking Alliance (NZBA). In 2022, the NZBA represented 38% of banking assets (Beltran et al., 2023). This latter group argues that for a net zero target in terms of GHG emissions to be reached by 2050, banks must finance four times more the amount of renewable energy than for fossil fuels.

However, the initiative was criticised for being too lenient towards their member's activities, especially towards the funding of new coal projects (Fiona Harvey, 2022). Indeed, out of 60 member institutions of the NZBA, only eight set a clear target to phase out coal financing – and 18 did not set targets to phase out coal financing[7] (ibid.). However, according to the International Energy Agency (IEA), to stay below 1.5°C, coal funding should have already been phased out – in fact, in 2023, it was estimated that 60% of the total fossil fuel reserves in exploitation should be kept underground (Trout, 2023). Furthermore, in accordance with the guidelines set forth by the NZBA, banks are expected to reduce their proportion of financing of non-renewable energy sources by a factor of five compared to the levels observed in 2022, with the aim of aligning their activities with the net zero target. Another way of achieving this could be by increasing their financing of renewable energies. This would not offset the effects of financing fossil fuels, but they would be meeting the objective set forth by the NZBA, which further demonstrates the leeway afforded by the goals of the GFANZ.

This is particularly crucial given the current circumstances, which are highly concerning. Indeed, in 2022, BloombergNEF reported that worldwide, banks financed $0.73 worth of renewable energy production for every $1 of fossil fuel they financed (White et al., 2023). Moreover, Profundo for Sierra Club, Fair Finance International, BankTrack, & Rainforest Action Network (2023) surveyed the activities of banks linked to climate change and looked at the indirect financing of energy production. Therein, they investigated the types of companies that the sixty biggest banks in the world financed between 2016 and 2022. This determined that companies primarily active in the renewable energy sector received less than one tenth of what companies active in non-renewable energy received[8]. First, this suggests that looking solely at the energy initiative leads to a misleading picture of the situation since indirect financing can also contribute to the development of non-renewable or renewable energies. Second, in both cases, banks are far from the 4:1 scenario in terms of financing in favour of renewable energy to align with the temperature goal of 1.5°C,

[7] The GLS Bank, an ethical bank that exists since 1974, was a founding member of the GFANZ. However, in 2023, the bank was one of only four to have left the initiative, quoting insufficient ambitions and critiquing the initiative to still accept the funding of fossil fuel. See Kocornik-Mina, D. A. (2023). Comment : The world cannot afford banks to step back from their net-zero commitments. Reuters. https://www.reuters.com/business/sustainable-business/comment-world-cannot-afford-banks-step-back-their-net-zero-commitments-2023-04-20/

[8] European banks have reduced their level of financing of fossil fuels by 25% between 2021 and 2022, yet at the same time, the total amount of energy demand for bank financing has reduced due to the increase in interest rate in this period, see the report, Banking on Climate Chaos (2023). The actual intention to reduce fossil fuel financing by European banks was not reflected in the data, but this could be an early sign of a new trend in Europe.

even given the leeway granted by the GFANZ. Consequently, the current banking initiatives implemented with the intention of halting the funding of non-renewable energy financing have, at best, limited its expansion and, at worst, served to legitimise its expansion by financing renewable energy in parallel. In other words, the end of financing fossil fuel extraction is already long overdue, and the banking sector is an important laggard in achieving this goal.

2.3.3 Beyond Climate Change

The banking sector has been shown to be lagging in action to abandon fossil fuels and the consequences of these energy sources on the climate. However, energy sources are only part of what drives climate change. Indeed, the energy problem only relates to 60% of the GHG emissions, while most of the 40% of GHG emissions are due to agriculture, deforestation and the production of cement (the binder in concrete that releases CO_2 during the calcination process) that all follow similar patterns of production of energy. Furthermore, this is only one dimension of the environmental problems currently happening. The work of Johan Rockström and his team in 2009 considered nine dimensions, conceptualising the main impacts of anthropogenic processes on the biosphere and setting a boundary for each dimension within which activity could be performed safely to sustain living conditions (Rockström et al., 2009). Yet, in 2023, Richardson et al. (2023) argued that six of these natural boundaries have already been exceeded, meaning that most of our activities are operated beyond the capacity of the biosphere. This context reflects how humanity has come to affect the biosphere in a way that led the scientific community to rename the current epoch of the Holocene as the Anthropocene. This renaming, proposed by Paul Crutzen and Eugene Stoermer, defines the moment in history when humans became a significant geological influence on Earth[9]. Nearly four decades of sustainable development have not resulted in a decoupling between human activities and the

[9] The Sub commission on Quaternary Stratigraphy; the main body responsible for standardising the stratigraphical scale for the definition of geological epochs is officially validating the Anthropocene. In 2019, the majority voted for the Anthropocene epoch, and the current process is in assessment for how to define it precisely in the stratigraphy.

natural environment. Instead, this period has witnessed environmental changes so radical that they are likely to be noticeable in the stratigraphy for millions of years.

Consequently, despite the international recognition and implementation of sustainable development policies, the framework proposed by the Brundtland Commission has not been able to effectively address the two main goals it set out to achieve. Similarly, the limited implementation of practices in the banking industry towards solving the current social and environmental challenges resulted in not realising the two goals that sustainable development targets.

2.3.4 Rethinking Sustainable Development

This outcome is particularly problematic for the banking industry, as the consequences of environmental destruction and a lack of social justice will have a significant effect on the industry. This argument is presented in a report by the Bank for International Settlements (BIS), entitled 'The Green Swan', published in 2020. In this report, the authors put forth the argument that the extent of climate change is such that the traditional risk assessment methodology employed by the financial sector is no longer applicable (Bolton et al., 2020).

Indeed, the report draws parallels between its argument and the concept of black swan events. Black swan events are occurrences that have significant and far-reaching consequences on financial markets yet are statistically unlikely to occur. Examples include the subprime crisis and the 2019 coronavirus pandemic. For them, climate change is analogous to a black swan event but differs in one specific way: it is inevitable. This is what led the author of the report to designate adverse events associated with climate change as 'green swan events.' Green swan events are not a matter of probability, as is the case for black swan events, but rather a matter of intensity. In short, future markets will suffer immensely from the effects of exceeding planetary boundaries, with no way for this to be avoided. Such occurrences may result in the creation of stranded assets, as evidenced by the collapse of the oil industry during the pandemic. Alternatively, they may precipitate events like the pandemic, such as the emergence of global diseases that climate change facilitates and that can significantly impede production and consumption. Consequently, companies will be subjected to the risk of failure or indebtedness, which has the potential to compromise the stability of the economy and increase the incidence of loan defaults (Kose et al., 2021). The intrinsic nature of green swan events, which are inextricably linked to climate change, implies that the outcomes outlined are, therefore, inevitable.

The Green Swan report illustrates that the observations made in the 1970s by the environmental movement, echoing the goals of sustainable development, have not been adequately addressed. Despite the progress made in some areas, environmental destruction still occurs on a large scale, while social inequality is on the rise within countries. The modern interpretation of environmental concern through sustainable development principles remains inadequate for bringing a proportionate response to environmental and social problems.

In view of the limitations of sustainable development, the following section examines the narrative and values that have contributed to the inadequate response to the social and environmental challenges. These form what is described as the modern ideology, which characterises the imaginary of Western societies since the sixteenth century. The modern ideology aims to give individuals the opportunity to reach their own position in society based on their ability to take advantage of economic opportunity. Therefore, the modern ideology focuses on creating the conditions for individuals to access markets and ensure the protection of their assets on an individual basis. As will be discussed in greater detail, this gives rise to an ideology that is centred on two fundamental values: productivism and individualism.

2.4 The Modern Ideology

Ideologies are driving and guiding forces of action that aim to describe what is right and what is wrong and, therefore, define what is legitimate and what is not (Taylor, 2003). Ideologies are built from politically motivated ideas that create a culture that defines what is acceptable and desirable. An ideology motivates future goals and directions and is often the result of multi-dimensional social interaction, from the religious, academic, civic, political or economic society, among many others (Basabe Martínez & De Haan, 2023). All these dimensions are further influenced by structures, infrastructures, and environments, resulting in the creation of a movement towards common ideals.

The current belief system that is prevalent in liberal democratic and industrial societies is known as the Western modern ideology (Dumont, 1991). It is characterised by a rupture from traditional hierarchical forms of society, which were based on family inheritance and collective identity, in favour of an egalitarian form of individualism (ibid). The Western modern ideology is based on the development of modern science in the sixteenth century, with its emphasis on reason and rationalism (following Bacon, Newton or Copernicus), and the Enlightenment philosophers of the seventeenth century (such as John Locke), who argued for individual autonomy and inalienable human rights (Basabe Martínez & De Haan, 2023). Following modern principles, these rights are protected by a democratic State that represents the majority rather than the few. The philosopher whose work led to the generation of the economic discipline as a standalone field, Adam Smith, would add to this perspective the argument that economic freedom is a necessary factor in supporting these conditions (Smith, 1776).

Louis Dumont, who characterised this historical interpretation of the current Western ideology, argued that breaking the traditional vertical hierarchy in society was the result of a process of secularisation and a focus on equality, linked to open access to productive factors. Indeed, the values that underpin this ideology emphasise the irrelevance of individual characteristics regarding one's position in society at birth, including factors such as family background, religion or ethnic origin. The combination of these concepts resulted in the creation of a system that prioritises economic opportunity and the guarantee of inalienable rights for all individuals. Today, industrialised Western countries are deeply embedded in this culture, with notions such as the self-made man or the American dream being put forward as key examples of successful modern stories.

The modern ideology emerged in response to the historical hierarchical structuring of societies, a phenomenon that can be traced back to the sixteenth century and earlier. As discussed in Chapter 2.2, historical inequality in Europe was characterised by a high degree of social and economic stratification, with a concentration of power and wealth among a minority of aristocrats and religious institutions. This situation precluded most people from being able to participate in determining a societal trajectory and their individual position within it.

This was the context in which social movements and revolutions of the seventeenth century, including the Enlightenment movement, the Reformist movement and the French Revolution, initiated a paradigm shift towards values of equality and democracy. This was done to guarantee a just distribution of power and access to freedom to determine individual circumstances. This transition towards modernity emphasises the capacity of each individual to contribute to the economic output, with the objective of generating profit that serves to position themselves within society.

In consequence, economic markets provide each participant with the opportunity to establish their own conditions for prosperity through the accumulation of wealth. Liberal and democratic values are interpreted as freedom of access to economic markets based on democratic power, which aims to guarantee the rights of the majority rather than a powerful minority. In the early days, the modern ideology was, therefore, a liberation from the highly unequal distribution of power found in European countries prior to the sixteenth century and the subsequent abuse of power[10][11].

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[10] Such as the practices of nepotism or simony in the Church to maintain or increase power of certain elites. For instance. For example, Pope Alexander VI is believed to have bribed cardinals to secure his election.

[11] This liberation is often coined to the Protestant reformist movement based on a shift towards a strong work ethic found in the modern ideology (Weber, 1920). However, reformists may not have contributed to fostering the current work ethic as much as Weber's work is often quoted to be. Indeed, the perspective of Protestantism being the only Christian movement focusing on work ethic oversimplifies the differences and variations in religious interpretations and perspectives of Christianity. Yet, Weber does not argue for causality but for analogy (Ferre, 2017). In fact, certain perspectives found in Catholicism are also focused on the ethic of work to do God's work. Instead, what Protestantism has in common with Dumont's interpretation of ideology is a critique towards unchallengeable hierarchical power

Consequently, the challenge to traditional hierarchical authority gave rise to an imperative to protect against potential attempts by the traditional authority to regain power, notably through the separation of power. The work of the eighteenth-century political philosopher Montesquieu was instrumental in developing this idea, which emphasised the division of constitutional powers between the executive, judicial, and legislative branches of government (Montesquieu, 1777). The separation between religion and the state was designed to create a protective shield against a reclaiming of authoritative traditional power (Buss, 2000). This illustrates the emphasis on individual power over inherited power, basing legitimacy on motivation and hard work. In this context, independence also translated into valuing individualism to decrease the potential for institutional abuse through the creation of separation and by valuing all individuals equally and granting freedom to all.

These ideologies serve as the foundation for the creation and preservation of individually acquired forms of power, which are perceived as legitimate and in opposition to the previous form of power structure. As a central concern of modern ideology is the distinction between structures designed to liberate individuals, such as economic markets, and other forms of authority, including religious institutions and the government, modernity places a strong emphasis on the economic dimension as the source of freedom for individuals. Furthermore, it legitimises institutions that act to maintain equal economic access rights, further emphasising the role of the economic dimension for the liberation of individuals. This perspective, which reflects the contemporary cultural context of the West, represents an ontological outlook that fosters individualism and independence from economic production as a means of guaranteeing equality.

Nevertheless, the current rise in social injustice and environmental destruction reveals the limitations of this ideology and underscores the necessity of development of alternative narratives. However, the insufficient modern response to these threats, namely sustainable development, failed to address these

structures. Indeed, the abuse of the institution of Christianity was one of the first causes of the Protestant Reformation, which challenged the authority of the Catholic Church and supported individual autonomy in matters of faith and the interpretation of scripture. The common element of Protestantism is that biblical texts are elevated as the primary authority above other forms of institution, thus challenging papal authority and the hierarchy that accompanies such authority.

issues while simultaneously limiting the legitimacy of other alternatives that do not emphasise the centrality of economic development, such as degrowth.

The current trends are failing to help society guide the transition towards a sustainable society, one bounded by environmental limits regardless of the chosen direction. The longer societies wait to reclaim agency in the current transition, the more the transition will be imposed, and the more adverse the impacts on human well-being will be. Furthermore, the effects are likely to fall disproportionately on minorities and southern countries more exposed to climate risks. In the following sub-section, the distinction between sustainable development and the degrowth approach is elaborated, particularly in view of weak and strong sustainability and how these concepts differ in terms of considering the natural limits.

2.5 Weak and Strong Sustainability

The implementation of sustainable development into public policy, businesses, and, especially in finance, has been described and demonstrated to have failed to guide societies to respect natural limits and offer good living conditions to all.

This failure has been linked with a failure of the modern ideology, which was defined as a historical Western response to the traditional hierarchic and religious societies of the sixteenth century and prior. The modern ideology is characterised by a focus on the value of human sovereignty and independence, with the assumption of market access as a means of ensuring this autonomy.

The modern answer to the contemporary environmental and social issues; therefore, emphasises the preservation of the economic conditions of industrialised societies. This differs from counter-movements that critique the centrality of modern values of productivism and individualism, such as the environmental movement of the 1970s, from which degrowth originates. In the perspective of sustainability, the difference between the modern ideology and the 1970s environmentalism reflects the way the human-nature relationship is characterised, which can be framed using the distinction of *weak* versus *strong* sustainability frameworks.

Weak and strong sustainability have in common that they both support the needs for future and distant societies to live. This can have numerous ethical justifications. However, the most well-known justification for intergenerational fairness relates to John Rawls's veil of ignorance, designed to provide a strong case for ensuring decent living conditions for all (Rawls, 1971). The concept of the veil of ignorance is a thought experiment in which individuals must decide the structure and conditions of an imagined society prior to knowing their position in it. Rawls furthered this experiment by including generations in this thought experiment, with individuals not knowing which generation they would be. Based on this, Rawls argued that it is favourable for individuals to grant each generation the same living conditions, which includes the state of the natural environment and resources (Rawls, 2001). This idea is commonly found in sustainability to try to legitimate the protection of nature, future generations, or distant countries (Neumayer, 2013).

However, definitions of weak and strong sustainability differ in terms of the conditions to be protected and how they should be safeguarded. In essence, the concept of weak sustainability identifies economic growth as the fundamental condition to be safeguarded, with technological advancement serving as the primary means of ensuring its preservation. For instance, Robert Solow, one of the most famous proponents of sustainable development, argued that 'if sustainability means anything more than a vague emotional commitment, it must require that something be conserved for the very long run. It is very important to understand what that something is: I think it must be the generalised capacity to produce economic well-being' (Solow, 1993, p. 168). Based on the modern ideology and trickled-down economics, weak sustainability offers to solve poverty by granting access to economic markets.

In contrast, the concept of strong sustainability can be defined as the environmental conditions that should be safeguarded in accordance with natural resource renewal rates, which are currently being exceeded by the current level of extraction. This necessitates the alignment of the economic dimension with the environmental limits.

Weak sustainability advocates maintaining the current economic, social and political structures and argues for a central role of technology to adapt these structures to the natural environment, while strong sustainability advocates preserving the natural environment and argues for changing the economic, social, political and technological structures accordingly.

2.5.1 Weak sustainability: a Permissive Approach to Environmental Impact

Neumayer (2013) and other environmentalists view the modern interpretation of sustainability, including sustainable development, as a weak form of sustainability due to its permissive approach towards hypothetical projections regarding technology. For example, weak sustainability assumes that human activities have the potential to grow without affecting the natural environment. This is why arguments that follow the principles of sustainable development emphasise the uncoupling of the impacts of human activities from the natural world, as illustrated in Figure 4, which offers more flexibility in terms of solutions to environmental challenges.

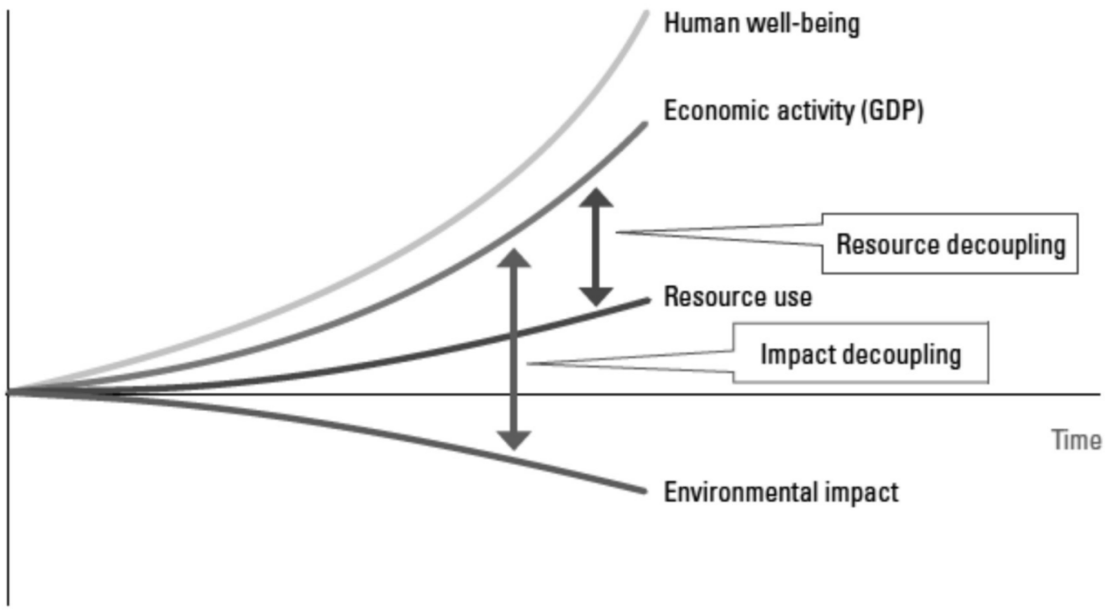

Figure 4 : illustration of the notion of decoupling found in weak sustainability, extracted from Hilty, L., Lohmann, W., & Huang, E. M. (2011). Sustainability and ICT - An overview of the field. https://doi.org/10.5167/UZH-55640

Nevertheless, this figure demonstrates that the hypothesis of weak sustainability does not imply a disconnection between human activities and natural capital. Natural capital encompasses all natural resources that are utilised in the production of goods and services. When considered from a weak sustainability perspective, there is no necessity for a complete decoupling from natural resources, as human capital can take on the role of these resources through the application of technology.

As indicated in the argument by Solow, the concept of weak sustainability seeks to preserve and potentially enhance the overall stock of natural and human capital, the latter being generated through economic activity. Economic activities use resources such as natural capital (raw materials or ecosystem services such as pollination, clean air, erosion prevention by trees, and so on) and benefit from the infrastructural (such as roads, communications, energy infrastructures, facilities, and so on) and technological capital (innovation and knowledge that increase productivity and efficiency of economic production). Therefore, these must be preserved or developed to maintain the conditions of economic activity. However, in this context, what characterises weak sustainability is the idea that we can transform natural capital into infrastructural and technological capital interchangeably and without consequences (see Figure 4). This interchangeability makes it possible to maintain or increase the total amount of capital, even when natural resources are depleted because it can be used as a means of increasing infrastructural and technological capital.

From an ethical perspective, weak sustainability refers to the maximisation of the total capital in a society, reflecting the economic utilitarianism found in neoliberal economics (Neumayer, 2013). This creates a reasoning of three equal and interconnected dimensions: economic, social and environmental, with the former two being man-made capital and the latter natural capital. (See Figure 5). This means that if the total of the three spheres increases, it will satisfy the maximisation goal of weak sustainability regardless of their distribution.

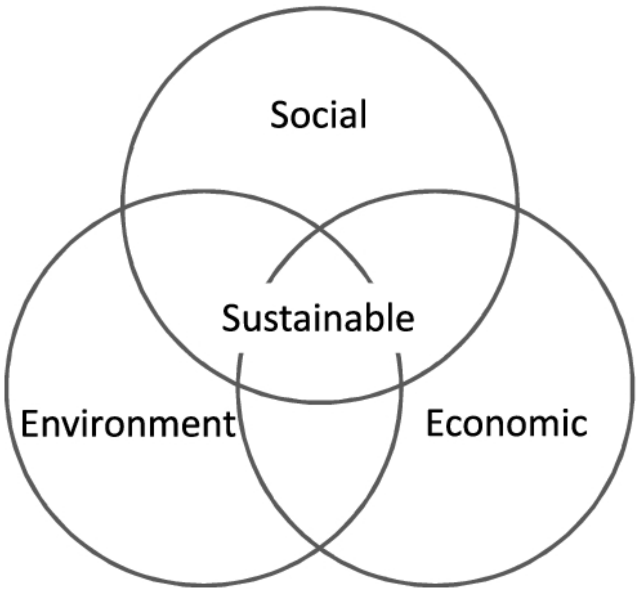

Figure 5: Figure extracted from Purvis, B., Mao, Y. & Robinson, D. Three pillars of sustainability: in search of conceptual origins. Sustain Sci 14, 681–695 (2019). https://doi.org/10.1007/s11625-018-0627-5.

The weak sustainability principles and hypotheses have been reinforced by the revolution associated with the industrialisation of modern technological development. Examples include the Haber-Bosch process, which enabled the large-scale synthesis of ammonia to increase crop productivity, and the development of renewable energy or nuclear power, which allowed societies to reduce the amount of greenhouse gases emitted per unit of energy consumed. However, this type of technology also created other problems, such as those related to waste management and dependence on rare natural resources. Nevertheless, proponents of weak sustainability argue that these are technical problems that can be solved with technological progress. For instance, in the case of scarce resources, proponents of weak sustainability would argue for the possible substitution with other types of abundant resources using technological innovation (Reijnders, 2021). To maintain the interchangeability hypothesis of weak sustainability, gains in efficiency along with resource substitution based on technological innovation are essential. Consequently, weak sustainability argues that natural capital does not require preservation over time, as future projected gains in productivity will compensate for the loss of natural resources (Neumayer, 2013). In essence, the concept of weak sustainability emphasises the central role of the economy in human societies and is commonly employed to justify the development of industrial and technological progress.

2.5.2 Strong Sustainability: Critiquing Technological Dependency and Production

However, as demonstrated previously, such a decoupling has not resulted in a complete disconnection from nature. This is why the central value of productivism, which forms the basis of weak sustainability, has been subject to strong criticism on environmental grounds, especially since the 1960s.

Neumayer (2013) connects this view to the 1973 book 'Small Is Beautiful' written by Schumacher. In this publication, Schumacher urged the reader to consider the economy as a system that is inherently incapable of extracting itself from the natural environment: '[nature is] the irreplaceable capital which man had not made, but simply found, and without which he can do nothing' (Schumacher, 1973, p. 3 However, the environmentalism movement, in fact, precedes Schumacher, ignited by the previously-outlined series of industrial accidents and championed by proponents such as the French sociologist Jacques Ellul, who demonstrated the subjugation of humans to technology, in a way that creates social injustice and environmental destruction. This relates to the argument of Ellul that technology has freed itself from its instrumental nature towards the common good to become an autonomous entity that 'depends only on itself, (mapping) its own route, (and) must be regarded as an "organism" tending toward closure and self-determination: it is an end in itself' (Ellul, 1980, p. 386). The critique of Ellul conceptualised technology as an independent entity that directs human values and institutions towards goals and missions designed to sustain its progress. His theories were influential in supporting the environmental movement of the 1960s and subsequently, strong sustainability perspectives.

Indeed, the view of Ellul is still relevant today, particularly in terms of understanding the limitations of weak sustainability. While weak sustainability emphasises the technological nature of climate change and the need for technological solutions, it is precisely this aspect that Ellul identifies as the core problem. In his perspective, technology is a never-ending process of development that requires an infinite amount of technology for support, such as a pyramid scheme. The book by Rachel Carson notably identifies such an illustration: the use of DDT for pest control had the unintended consequence of poisoning the entire food chain all the way up to humans. As a result, Ellul argues that technology has become an autonomous entity that has created an imperative to pay more attention to its development. This is what initiated a process of alienation of human beings who have become subjugated to sustain the service of technology by continuously solving the ever-growing problems that it generates by more technology. Rather than technology serving society, society is serving the development of technology and, subsequently, sustaining the conditions for economic development.

In particular, he emphasised the restricted capacity of altering the power dynamics between technology and humans, given the intrinsic nature of technology to generate issues while attempting to resolve them. This fosters a sense of trust towards technological development, as any new problems that arise are viewed as technical issues to be solved and, therefore, dependent on human agency. This creates a false sense of mastery, as neither technology nor nature is ever fully mastered. This outlook is exemplified by the weak sustainability hypothesis, which is entirely framed on a technology that does not yet exist. As a result, this perspective provides a convincing argument for a critical approach to the technological stance such as the one put forth by Schumacher.

2.5.3 Human-Nature Interdependence

In fact, this created the grounds to critique economic development, which can be summarised by Kenneth Boulding's famous 1973 quote to the American Congress: 'Anyone who thinks consumption can expand forever on a finite planet is either insane or an economist'.

Indeed, one year prior, the Club of Rome's report 'Limits to Growth' found that any type of infinite growth, such as population or economic growth, will always end up collapsing the system by eating up all the resources above their renewal rate. If full decoupling does not take place, the conclusion remains valid irrespective of the parameters chosen, such as growth rate, resource renewal rate, number of resources available or degree of decoupling. This line of thought formed the main distinguishing feature of *strong sustainability*, and notably of the concept of a bioeconomy developed by Georgescu-Roegen, which describes an economy that respects the environmental limits of the planet based on the principle of entropy that he translated to the economic dimension (Georgescu-Roegen, 1971). In fact, he demonstrated how the economic process is an open system that naturally increases in entropy. Indeed, it constantly requires inputs of low-entropy energy sources to be maintained and developed, and ultimately produces high-entropy waste. Therefore, utilising a thermo-dynamic perspective, Georgescu-Roegen concluded that the economy will inevitably exceed the planet's natural renewal rates of resources, in agreement with the Club of Rome.

As a result, Georgescu-Roegen argued that the focus should be on quality of life first and the economic dimension second, changing consumption patterns, social structures and norms, the reduction of waste, and so on. Georgescu-Roegen's theory is often seen as the first to offer an alternative to the growth paradigm and, thus, opened the door to strong sustainability and, later, to degrowth.

In that regard, strong sustainability directly opposes the notion of a central societal mission equating the production of ever more economic value. Instead, strong sustainability views human activity as necessarily limited by the boundaries of nature. Following this perspective, strong sustainability becomes the notion that the stock of natural capital must be preserved and passed on from present to future generations (Neumayer, 2013). The distinctive feature of strong sustainability is to define natural capital as the main capital required for future generations to thrive and, therefore, requires protection in full[12]. This implies that humanity should limit its activities within the renewal rate of natural capital, including living species (for example, animals and plants) and non-living ecosystems (for example, groundwater). The production

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[12] A level of substitution of non-renewable capital to renewable capital is necessary, even in a strong sustainability framework, for instance, to capture renewable energy sources. The most common response to this problem in the strong sustainability literature is the notion that it is possible to substitute non-renewable for renewable capital, on the condition that the natural functions remain intact and that the rate of depletion of the natural capital is equal to the rate of creation of the renewable capital.

of economic capital destroys natural capital, and there, in a strong sustainability framework, humans can no longer be solely defined as a productive force.

Seeing nature as a limiting resource entirely reframes the relationship of humans with nature that is found in the current modern ideology. It prompts considering not only the rights of humans to own, use, or destroy the natural world but also the corresponding duties and responsibilities towards nature. Being constrained by natural boundaries embeds humans back into nature, which inherently creates a recognition of the interdependencies of nature, with humans an inextricable part of the interwoven web of life (Scerri, 2016)[13].

As a result, strong sustainability calls for a reciprocal relationship based on stewardship and respect. Indeed, Neumayer (2013) argues that the destruction of natural capital could have consequences that are difficult to predict due to the complex interactions of the biotic and abiotic[14] systems in the natural world, which limits the ability of technological innovation to replace precisely any depletion of natural capital. From an ethical standpoint, this uncertainty reinforces the moral obligation to exercise caution and restraint towards the natural world. Thus, strong sustainability proponents argue that for social and economic capital to be maintained throughout generations, natural capital must be preserved, requiring an alignment between anthropogenic activities and the regenerative capacity of ecosystems. Therefore, preserving the conditions for human well-being requires limiting any activities to within the rate of renewal of natural capital, as well as any human activities[15][16]. This shifts the relationship between humans and nature back into a framework

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[13] By doing so, strong sustainability allows considering other types of ecological perspectives, such as biocentric and ecocentrism views that argue that every living creature possess an intrinsic value. Therefore, the natural world is valued outside of its contribution to human welfare . Ultimately, sustainable development can be attributed to dualistic environmentalism, and strong sustainability to holistic environmentalism (Scerri, 2016).

[14] Biotic and abiotic refers to living and non-living entity that makes up an ecosystem.

[15] Biely, Maes, & Van Passel (2018) argue that the distinction between weak and strong sustainability is illegitimate in the sense that weak sustainability is not sustainable. For this reason, it is illegitimate to call it sustainable in the first place, even if it is nuanced by the term weak. Therefore, this framework should consider a distinction between sustainable and unsustainable natural resource management. While this argument is legitimate, it entails a normative assessment that regards sustainable development as unsustainable, which requires more in-depth exploration.

[16] Renewal rates refer to the rate at which a natural resource is replenished or regenerated over time. This measure or calculation depends on the many different types of resource being assessed and is based on both measurements and modelling.

which is characterised by the inclusion of humans within nature, with the destruction of nature consequently destroying humans.

2.5.4 A Nested Approach to Sustainability

Figure 6: Giddings' diagram extracted from Morandín-Ahuerma, Contreras-Hernández, Ayala-Ortiz, & Pérez-Maqueo (2019) p. 7

This is why strong sustainability is often correlated with a nested approach to sustainability (see Figure 6) (Morandín-Ahuerma et al., 2019). This perspective of strong sustainability from the diagram of Giddings, Hopwood, & O'Brien (2002) uses the same three dimensions as weak sustainability, yet sequentially prioritising the environmental dimension over the social dimension and both dimensions over the economic dimension. This line of thought argues that without the natural sphere, the societal and economic spheres cannot exist. And without the societal sphere, the economic sphere cannot exist either, as there would be no society or humans to exchange goods with. However, a society can still exist without an economy, for instance, based on different forms of organisation. And finally, nature can still exist without human societies. This embeddedness emphasises the argument of strong sustainability for the recognition of the interconnectedness of human societies with other living beings, nature, and other humans.

2.5.5 Degrowth as an Alternative to the Modern Ideology

The perspective of strong sustainability presented radically challenges the principles of modernity. This perspective runs counter to the productivity assumption and the subsequent focus on technological development, which has the effect of subjugating human societies towards the destruction of the environment. However, in the current context, strong sustainability is difficult to implement, and real-world examples are lacking. On the other hand, weak sustainability reflects the narrative of modern ideology and has been widely featured in the concept of sustainable development.

However, the shortcomings of weak sustainability underline the urgent need to find an alternative solution. Degrowth, following the strong sustainability assumptions, offers an alternative take to the current modern challenges, as will be discussed in the next section.

The main mission of degrowth relates to reversing the modern trend of human societies being subjugated by the central societal objective of technological and economic development. Instead, degrowth focuses on environmental and social values as the central social missions. The next section outlines the specificities of the degrowth ideology, specifically from the perspective of the banking sector. It concludes by suggesting ethical banks as an interesting case study for a real-life example of an organisation to inform on possible models of banks following degrowth principles.

2.6 Degrowth and the Critique of Modernity

2.6.1 Revival of the Environmental Movement

Based on the same observation of the double failure of sustainable development, a revival of the environmental movement began in early 2000. In 2001, two French activists members of a collective named "Casseurs de Pub" (literally 'Ad breakers'), wanting to highlight the limits of *sustainable development*, coined the term *décroissance durable*, which can be translated as *sustainable degrowth* (Clémentin & Cheynet, 2001). This movement draws on the same origins as the environmental movement following the likes of Georgescu Roegen and Ellul, while the inspiration for the name degrowth can be found as early as the term declining state from the theory of John Stuart Mill in the nineteenth century (Döring, 2017; Latouche, 2019). Indeed, directly drawing on strong sustainability principles, which delineate the non-negotiable and absolute boundaries of human activity, degrowth describes the self-limitation of societal projects with respect to environmental boundaries (Schröder et al., 2019; Kreinin & Aigner, 2022).

In fact, the word degrowth – or rather *décroissance*, was already found in the 1970s, used by André Gorz in the 1972 Nouvel Ops special issue 'Earth's Last Chance'[17], to describe a literal degrowth of economic activities to alleviate environmental pressure. Degrowth took its current definition of a broad societal civic project when the Casseurs de Pub's members Bruno Clémentin and Vincent Cheynet (2001, p. 2), described it as a degrowth of economic activity which 'should not generate a social crisis that calls democracy and humanism into question'. While figuratively speaking, degrowth means the decline of economic activity, proponents of degrowth define it as a new social order that moves away from the hegemonic discourse focused on economic progress (Latouche, 2019). It is an attempt to offer a radically different social organisation that better represents the various dimensions of humanity, focusing on creating just relationships (within and between generations and with nature), a goal shared by strong sustainability of returning to a standard of living that is 'materially compatible with the reproduction of ecosystems'

[17] Translated by the author from French 'La Dernière Chance de la Terre'

(Latouche, 2019, p. 9, translated by the author). Therefore, degrowth is not limited to the idea of degrowing the economy; degrowth is a social project that integrates the well-being of all human beings - from distant countries to future generations - in recognition of the interdependencies between the so-called natural world and human society, by scaling and choosing human activities in a way that is just and sustainable.

2.6.2 Challenging Modernity: A Degrowth Critique of Productivism

While degrowth is a very diverse field with many different perspectives and propositions from less radical to anarchist, all propositions converge to rejecting the two principles of modernity, production and individualism. In fact, the environmental critique of Ellul's disentangled technocratic system is echoed by Polanyi's critique of the modern economy, which is a common starting point of degrowth narrative (Stuart et al., 2019). In the seminal work of Polanyi, *The Great Transformation*, he describes how the ontological individualism of the modern ideology paired with the value of production created a disentanglement of the economic sphere (Polanyi, 1944). It is the active transformation of local and collectively organised societies into global and spontaneously organised individuals that characterises a disentanglement of modern economic activity. These individual agents are framed by the logic of free markets, which becomes the main way of organising society. As a result, this process of modernisation creates a fragmentation from the collective to the individual, obscuring the interrelations which are not framed by free markets (Kish & Quilley, 2017).

Following the argument of Polanyi, relations of reciprocity and solidarity, not supported by the markets logic, are simply discarded by political and economic institutions, blinding an important dimension of what supports societies in which economic markets operate. In fact, while these interrelations constitute a key part of how societies organise, they do not have any institutional recognition and support in the modern sense. Since economic markets are central to modernity, they dominate what determines the living conditions of humans while simultaneously recognising only a small part of what is constitutive of human behaviour. Therefore, markets create a strong restriction of human behaviour, which Polanyi interprets as an instrumentalisation of human forces at the service of the economy.

This instrumentalisation of human beings reflects the perspective of Ellul on technology. Although the original aim of modernity was for the economy to support the equality and inalienable individual integrity of all human beings, the interpretation in real life created the opposite situation. The Polanyian interpretation of markets as failing to represent a complete picture of the nature of human beings leads to the conclusion that the economy does not serve a social purpose, but rather, human beings serve an economic purpose. This perspective reflects a contrasting position towards modernity and especially opposes the central value of productivism, which is precisely why this process is considered a disentanglement, with markets ignoring other important dimensions constitutive of societies to create the illusion of a free-standing institution.

This reflects the critique of modernity put forth by Hanna Arendt, who is also often quoted as an inspiration for degrowth principles (Biagini et al., 2017). Arendt argues that modern societies have increasingly focused on the private sphere, emphasising private markets and professional roles that only represent partial interpretations of human beings (Arendet, 1958). She contrasts this with the decline of the public sphere, which she sees as essential for meaningful participation in the community and democratic processes. For Arendt, the public sphere is crucial for individuals to experience their singularity and their freedom, as it allows them to engage with others as equals in shared political and social activities based on their ideas and perspectives. This emphasis on the private sphere creates a disenchantment with the world by creating a context in which life's goals are related to the individual's contribution to more consumption and production.

Moreover, this also creates an imperative to conform to specific roles, characterised by the abandonment of some interrelationships to respect professional norms. The roles imposed for maximum productivity fragment people into individuals, effectively turning everyone into a surrogate. Illich and Arendt's critiques highlight how social structures and norms that were originally designed to create more equality and freedom are, in fact, contributing to the individuation process by materially replacing interrelationships without the social component. The consequence of a disentanglement of the economic and technological dimensions with the fragmentation of people into specific roles creates a context in which 'tools are no longer means, they are ends in themselves' (Strunz & Bartkowski, 2018, p. 9). This critique on the over-emphasis of the economic dimension and the imperative of fostering more participation and democratic instances are central to the current degrowth movement.

2.6.3 Degrowth and Banking: Fundamentally Opposed?

The field of degrowth is characterised by a shared social project, which entails aligning economic, social and political conditions with just organisational structures of society in a sustainable manner. This involves the selection of an appropriate level of economic development and the distribution of resources in a manner that is beneficial to all members of society. Such projects necessitate the reappropriation of economic and technological spheres and the development of novel forms of political institutions. These political institutions are designed to represent the distinct identity of individuals by promoting their autonomy, freedom and individuality. This represents a planned reduction of the economic and technological dimensions to enhance the well-being of societies.

As a result, this can reflect a fundamental opposition to the banking industry, which is at the centre of the free market, aiding the development of the economy. Acting as an intermediate between savers and borrowers and a multiplier of money to increase the activities of the economy, banking serves the role of enabler of economic activity, which supports the maximisation of economic growth.

This is illustrated in the history of banking, which included the development of a central banking system designed to protect against the consequences of a bank run. The ability of an external body, namely a central bank, to provide liquidity support and function as a lender of last resort contributes to creating a more secure banking environment. This allows the banking system to better handle systemic variation, in turn allowing it to potentially take on more leverage than the banking sector would in the absence of such a support mechanism. The central banking system creates a more stable banking system that can better respond to the imperatives of the economic dimension of creating steady growth.

This is how the evolution of banking contributed to fabricating an extremely efficient system of economic production that effectively supports economic growth. The continued fostering of economic growth by the banking sector was even observed during the aftermath of the subprime crisis. While the banking industry faced extremely difficult financial conditions in this period, companies in highly financialised countries had no issues securing bank loans (Udell, 2020). In fact, the decline in terms of loans and financial support from banks was related to a decline in economic activity and not a decrease in the efficiency of banking instruments when faced with challenging conditions. The banking system is indeed a very performant system for supporting and increasing economic development, making it fundamentally opposed to the objectives of degrowth in the current Western context.

Consequently, the institutional context of banks has historically not been structured in a manner that facilitates the alignment with a degrowth perspective, which is based on choosing the optimal size of economic activity from a social justice and environmentally sustainable perspective. Indeed, were a government to indicate that it was pursuing a policy of ' ‘very long recession followed by an infinitely flat economic growth’ (Tokic, 2012, p. 1), such an announcement would almost certainly have disastrous consequences within the context of the modern ideology. Such an action would result in the collapse of the financial markets, while the banking system would be forced to deleverage its funding and investments (ibid.). Consequently, economic production would decline, leading to a deflationary spiral (ibid.).

The current modern banking institutions contribute to binding Western society to an economic trajectory of economic growth to avoid the disastrous social consequences that would result from transitioning to a degrowth world without fundamentally changing modern institutions. A decrease in economic activity that happens during financial crises is suffered, undemocratic and uncontrolled. It leads to an increase in economic inequality and also temporarily leads to a decreased focus on environmental concerns to manage the urgency created by the economic crisis, highlighted by the fact that financial crises are frequently used to justify climate inaction (Tienhaara, 2010). This scenario strongly opposes the characteristics of degrowth as a democratic social reform that aims to foster self-limitation to remain within the boundaries of nature. This is why a society that implements degrowth principles requires a banking system that stands up to both attributes of modernity to align with a system that can limit economic growth in a way that reconnects all human activity to nature’s limits in a fair and just way. It is for these reasons that degrowth directs two fundamental critiques at the banking sector: one which critiques banking to foster an ever-growing economic system and the other that critiques its non-democratic nature.

2.6.4 The First Degrowth Critique of Banking: Challenging Productivism

The first critique towards banking from a degrowth perspective relates to proponents such as Heinsohn, Steiger, or Binswanger, who argue that debt money creates a growth imperative (Strunz et al., 2015). These authors claim that the nature of the debt system and the way in which money is created in the banking system creates an imperative for the economy to grow. In fact, the banking system is known to generate money in the process of funding activities, projects, or organisations (Huber, 2017).

Banks do not have to fully cover their funding activities, as they can use (part of their) deposits, capital-market forms of funding, and central-bank funding to fund their loans beyond their reserves. Indeed, they have the authority to multiply these different sources of financing to increase their loan activities. For example, depending on regulation, banks are required to have a small percentage of their deposits available for clients, which are called bank reserves, while the rest can be used to fund their loan activities[18]. However, the clients still officially possess the integrality of the capital that is deposited at the bank. In contrast, an important part of this capital circulates in the economy through the funding activities of the bank. Since this money exists in two places simultaneously, it effectively increases the sum of money in circulation in the economy.

This form of money represents the majority of money in circulation today (McLeay & Radia, 2014). This mechanism is at the core of banking and is targeted by degrowth proponents who argue that creating debt money invariably leads to a growth imperative. In this context, it would be impossible for a bank to follow degrowth principles.

However, their argument reflects a lack of understanding of bank money. The first argument for a growth imperative of money created by banks sees banking operations as a type of pyramid scheme, which relies on an ever-growing amount of money to be created to support the previously created money. Indeed, this assumption described that because the money issuance is secured by debt while interest is charged, leading

[18] This depends on the regulation, this historically varied between 0 and 10% in the United States for example.

to the hypothesis that banks are constantly asking for more money than was issued: 'When the loans are repaid, the new money is destroyed. However, the borrowers must repay the loans plus interest, and the banks initially loaned out enough to repay only the principal' (Costanza et al., 2013). Therefore, this argument leads to the conclusion that economic development is necessarily required to create more wealth to pay back the debt with the interest in surplus to the bank. This is how this representation views bank money as a self-reinforcing phenomenon that resembles a pyramid scheme, which is a flawed vision of the banking system.

This assumption is based on two main arguments, both of which are fundamentally incorrect. The first argument is that when a debt is repaid, the borrowers would have to find more money than what was asked of them, which would induce an imperative to grow their activities. Therefore, banks create less money than they ask in return, which causes a never-ending cycle of economic development. This is the first argument, which reflects the perspective that if money is created with interest, more money is always required to pay back the loan and interest.

The other argument that is put forth to argue for a fundamental growth imperative of debt money in banking describes that interests are not inherently creating a growth imperative, but the stockpiling of the interests are. This line of argument builds on the requirements of banks to maintain a ratio of assets and reserves compared to the amount of loans, which vary based on the regulatory requirement, the business model of banks, and their risk management practices. It is this number of reserves that they argue is hoarded to extend their loan activities and, therefore, excluded from the rest of the economy. As a result, more wealth needs to be created to compensate against the withholding of interest by the bank. This argument reflects the perspective of a sink within the economy, which drains the economy out of capital, which indeed would lead to a need for more capital to be created – especially if the sink is proportional to the creation mechanism of money. However, both arguments are indeed false, as will be discussed below. However, they were used to offer solutions to the problem of banking from a degrowth perspective.

Two propositions found in the degrowth literature use this line of arguments: (1) some researchers who propose interest-free money, that is, the money issuance without any kind of interest or fees attached (sometimes quoting Islamic banking as an example), and (2) researchers who propose non-debt money system, that is, limiting the emission of loans by banks to be fully backed by assets rather than debt, a proposition that is otherwise known as full reserve banking, such as Douthwaite (2012) and Kallis, Kerschner, & Martinez-Alier (2012).

Often, the propositions that aimed to answer the critiques merge both interest- and debt-free money in banking. These propositions take the shape of a banking system that uses the central bank to take the role of commercial banks in issuing money and is complemented with community-based solutions with the issuance of local currency following the original propositions from Lietaer and Douthwaite (Dittmer, 2013; Larue, 2020).

For the authors, this would allow the development of a socio-economic system that is characterised as more democratic and does not suffer from the intrinsic imperative towards growth by debt-money creation. The specificity of central banks is that they cannot fail in an economic sense since they can issue money as much as needed. Therefore, they do not require interest to be charged. Moreover, as central banks would take on the role of issuing debt money, banking debt that would be related to money issuance would be publicly managed rather than privately managed, making it potentially more democratic. Some even recommend a non-monetary economy to respond to these challenges (Nelson, 2016). Ultimately, all these propositions have in common that they either render banking institutions irrelevant or they significantly reduce the scope of banking activities while disregarding the living example of ethical banks.

However, the narrative of a growth imperative from debt money is being challenged altogether, even within the degrowth literature (Victor & Jackson, 2015). The first counterargument highlights that their interpretation is based on a narrow perspective of the relationship between the bank and the customers, based on the false perspective that this relationship existed in a closed loop. This suggests that the lender would receive the interest and destroy it or keep it hidden from the rest of the economy, which would indeed create a growth imperative. However, this is not the case, as interests paid by borrowers to lenders are, in fact, redistributed in the economy when the lenders pay the services they need to survive, the salaries, the infrastructures, and so on. Therefore, the interest that the lenders collect is not destroyed or thesaurised, but it continues to circulate within the economy, which means that 'if creditors fully consume their interest income, thereby reinjecting it into the economy, a stable cycle without growth may endure' (Strunz et al., 2015, p. 6). Indeed, if the interests paid are redistributed to the economy, then the growth imperative cancels out. A growth imperative is created when there is an imbalance between the money created and the money asked. From a macroeconomic perspective, a debt is created simultaneously as the capital loaned to the borrower. The interest asked of the borrower is a fee, which is not based on debt, but based on the service provided. This service provided has costs in terms of remuneration, infrastructure, and capital, which are therefore billed to the borrower. Thus, the balance is respected in both cases, with only the capital that is lent, which increases the amount of money in the economy but is being compensated with the same amount of debt. While debt money currently supports a drive towards growth in the sense that it can lead borrowers towards being pushed to grow their activities, this is not a fundamental mechanism of banking.

This argument is illustrated historically. From a historical perspective, modern banking based on debt money issuance started in the 1600s, while modern economic growth started in the early 1800s (Graber, 2012). Furthermore, even in the Middle Ages, when usury was forbidden, Strunz, Bartkowski, & Schindler (2015) argue that it was still common practice to lend money at interest without this leading to the creation of a growth imperative. In fact, usury means the prohibition of *excessive* profits on money lending, not the prohibition of interest altogether. Thus, neither interest on loans nor debt money created an intrinsic imperative towards economic development.

Additionally, the second argument against these prior assumptions relates to the stated mechanisms themselves, which are described as fundamentally flawed. Indeed, there is no need for banks to thesaurise interest to expand lending capacity, which would otherwise create a growth imperative. Indeed, the assets used to meet regulatory requirements need to be liquid, but that does not mean that they are in cash and hidden away in a vault so that they can be thesaurised. Liquid assets can take the form of low-risk instruments that can be converted to cash quickly, such as central bank reserves or government bonds, allowing their assets to contribute to the circulation of money (Huber, 2017). Therefore, the perspective that banks must meet a specific ratio requirement does not equate to a fixed amount of cash that is simply lying idle. This is why interest is neither destroyed nor thesaurised and why this idea does not support the existence of an intrinsic growth imperative in the instrument of bank money creation.

However, a growth imperative can effectively be demonstrated, but it comes from elsewhere, and it is not intrinsically linked with banking instruments. Indeed, the argument mentioned highlighted that it is not the way that banks create money that is fundamentally opposed to degrowth principles. Instead, it is the social, economic, and political systems surrounding the banking system that encourage banks towards a model of banking that creates a growth imperative (Jackson & Victor, 2015; Strunz et al., 2015). In other words, it is the current ways in which the banking system operates that do indeed support the development of a modern economy based on modern ideology, not because of banking mechanisms per se but because of all the social institutions and modern beliefs in the banking system. That is why it is necessary to change the way banks operate and why debt money and interest are not the problem, but *bank money* is.

First, debt money is simply an IOU issued at the same time as a loan and linked to banking because the sector has been granted historic authority to deliver IOUs (Graeber, 2012). However, anyone can issue debt money, as exemplified by the WIR currency, which is a type of alternative currency in Switzerland that has existed since the 1930s and functions based on a mutual credit system[19]. However, this system is neither enforced by a central bank nor legitimised by a government, illustrating how anybody can create money. However, bank money differs from other IOUs in that it is a currency backed by central banks and the government. Further, while it is common to discuss the money creation system based on debt, Huber (2017) argues that commercial banks can create money from any sort of operation as long as they respect their assets and reserves ratio (although, as it costs money to acquire central bank money, it is more efficient for banks to extend their assets to what is most productive, such as loans, rather than paying salaries or transferring money for example). Thus, in this scenario, not all bank money is necessarily debt money, nor is debt money necessarily bank money either.

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[19] The WIR is a mutualistic system based on debt recognition. Each member can buy from or sell to other members through the WIR currency, which records each exchange as a debt to the WIR system. If an institution fails, all losses due to unpaid debts are redistributed throughout the system. In this sense, losses are mutualised, which has translated into easier and cheaper access to credit, helping entrepreneurial members through the 07/08 crisis with better support. See for example Vallet, G. (2016). A local money to stabilize capitalism: the underestimated case of the WIR. Economy and Society, 45(3–4), 479–504. https://doi.org/10.1080/03085147.2016.1224146

Second, bank money is not simply money that is issued when creating a debt: it is an IOU produced by banks embedded in a system supported by central banks, regulators and governments, designed to support – and sometimes even drive – economic growth. Indeed, when discussing issuing money, Strunz, Bartkowski, & Schindler, (2015) explain that the issuance does not lie in debt money but rather in the system in which it is entrenched. This system starts from the government that gives it special legitimacy[20], central banks that help banks issue as much currency as needed, and more broadly, the cultural and relational dimensions of money issuing, which all indeed create a growth imperative, but not for the same reasons previously highlighted. This is further backed by Jackson & Victor (2015) who claim that while debt money does not fundamentally create a growth imperative, 'there exist several other incentives towards growth within the architecture of the capitalist economy' (ibid, p. 46). These incentives are defined by their contribution to fostering a climate that motivates actors to produce more, such as high remuneration and bonus-related performances for bankers, creating a context that creates an imperative to grow financially. This type of context relates to highly competitive environments in which individuals or banks are forced to grow to maintain their position within the system otherwise, it may threaten their financial security. Thus, both Jackson & Victor (2015) and Strunz et al. (2015) reorient the debate from debt money to the bank money *institution*: a system of interrelations that allows for the creation of money by the banking system, which includes the political, economic as well as the cultural structures and norms, creating a growth imperative along with other issues, such as environmental destruction and social inequality.

One quality of degrowth paradigms is that they provide a framework for understanding the cultural imperatives of economic growth in the context of rising inequalities and the urgency of addressing climate change (Green & Healy, 2022). For instance, the fact that leveraged for-profit banks issue bank money forces the issuance of bank money currency to be primarily directed at loans that have low financial risk profiles. In reality, this often correlates with loans that fund sectors or activities that have high levels of profitability (Arnsperger, 2015). However, this high level of profitability is not necessarily linked with

[20] Such a public legitimacy is granted when a government accept a type of money to pay taxes.

environmental protection or more social justice; sometimes, it is quite the contrary, such as exemplified by the highly profitable oil and gas sector (for now).

The fact that the new money is available irrespective of the environmental and social dimensions has created a context in which money is abundant for highly profitable projects with high environmental impact (for instance, the financing of pipelines like Keystone XL), which are more likely to be considered profitable and secure in the modern framework emphasising on the economic dimension, while money is scarce for initiatives with high social and environmental profitability.

Currently, the mechanisms of bank money issuance relegate the non-productive yet environmentally positive activities to an extremely small part of the money circulating in the economy. This is the fraction of the money that is in surplus from profitable companies or individuals, e.g. through tax collection (yet also only a small part of the collected amount). Thus, the institution and hegemony of bank money - and not debt money - creates a powerful incentive for social inequality and environmental destruction.

However, this can be changed without abandoning the underlying instruments of banking and money creation, as the outlined issues are the result of social, economic and political norms and structures. Hence, these can be changed by reorganising the cultural and social banking model and reappropriating its instruments towards a degrowth mission. Based on the above definition of degrowth, this requires overturning the productive attribute of the banking industry in favour of the environmental and social dimension. In other words, it requires a disembedding of the economic dimension in banking, which should only exist to serve social and environmental objectives.

2.6.5 The Second Critique of Banking: Challenging Individualism

Degrowth scholars argue against the traditional idea of money as a neutral representation of the value of goods (Nelson, 2016). Most do not consider money simply a unit of accounting enabling payment and capital accumulation (ibid.). This goes against the modern belief that variations in terms of the supply of money do not influence the structure of the economy. Rather, degrowth suggests that money issuance possesses proprieties, defined by how and who issues it, which guides its allocation, and these indeed influence the structure of society (Douthwaite, 2012; Huber, 2017).

Therefore, if money is not ideologically neutral, choices must be made that are inherently normative, choices whose nature requires participation, discussion, and democratic instances following Western democratic and liberal principles. However, currently, citizens have an extremely limited control over the issuance and circulation of money. Although heavily regulated, banks have substantial power to choose their customers, whether sustainable or not. The choice of whether the issued money contributes to financing social and environmental values is at the discretion of the bank. The role of regulators does not currently extend to thinking about the broader impact of externalities in the financial sector, which leaves banks as the final decision makers of the attribution of newly issued debt money. That is especially problematic in the current context in which bank money is virtually the only type of money in circulation now, with only negligible amounts of cash and even more negligible amounts of local currencies in circulation. Therefore, this critique highlights how most of the money is put in circulation with limited democratic oversight, focused on a narrow interpretation of democratic representation emphasising maintaining a stable economic system.

The argument for the integration of broader democratic interests in the banking system is supported by the consideration of bank money as a public good (Aigner, Buczko, Cahen-Fourot, & Schneider, 2022). This perspective frames bank money as an extension of public instruments mandated by banks to operate. Indeed, since the successful implementation of debt money relies on trust, government guarantees serve primarily as a source of legitimacy (Graeber, 2012). In recent Western history, what facilitated the acceptance of fiat money, i.e., money that is not backed by physical commodities, was that governments accepted the currency as a means of payment for taxes, which acted as a trust guarantee. More recently, some governments have also guaranteed a certain amount of money in the event of a bank run, further extending government support for the banking model of money supply (Carlson & Rose, 2016). Therefore, the support of governments for bank money creates a compelling argument to view it as a public instrument.

Conversely, banks are under no obligation to disclose the recipients of their loans to the public. This translates to the responsibility of assessing the conditions of sustainability in the hands of bankers themselves and of regulators. This context makes it difficult for the public to determine whether the banking system (regulators included) is effectively respecting their interests in terms of environmental protection and social justice.

The contrast between banknotes and bank money is key in this issue. Banknotes are currencies that contain the name of the bank that issued them, currently mainly central banks. However, bank money, which is the money issued by commercial banks, is not issued with the name of the bank. When commercial banks issue money, this money does not have any identification connecting it to the institution that created it. As a result, the production of bank money is anonymous, which makes the task of tracking the money flow from any commercial bank basically impossible. The current modern system restricts traceability and allows banks to have limited social accountability, and 'gives bank money the semblance of neutrality and blamelessness, even official respectability, when in fact it creates bank immunity' (Huber, p. 29).

Organisations trying to monitor the extent to which banks are financing climate change currently must use secondary sources such as Bloomberg and other data aggregators (Reclaim Finance, 2023). Bank money is, therefore, characterised as a type of currency that is issued by banks, framed by a regulatory body that assesses risk and a central bank whose role is to ensure maximum capacity for banks to loan as much money as possible. In this context, the critique of a lack of democratic oversight from degrowth targets, specifically bank money, and not bank notes, grants the ability for banks to freely decide who benefits from their loans provided they meet the financial requirement of banking.

However, the current management of capital and resources is not as effective when considering degrowth principles, which emphasise maintaining a steady economic environment to ensure equal access to capital. In a context of limited economic development, equal access to capital necessitates stronger redistribution mechanisms, as capital accumulation leads to an increased ability to accumulate more capital. This situation calls for the development of new democratic tools to address the fact that capital accumulation from a degrowth perspective is not infinite while still upholding the goals of liberal and democratic Western societies. This creates an imperative to decide democratically how to fairly distribute the capital that is created in a way that promotes the maximum amount of freedom and equality. However, the way bank money is currently issued impedes any perspective of this objective to be implemented.

Since capital is not considered infinite within a degrowth interpretation, promoting the value of equality cannot be limited to ensuring capital access, as this would not guarantee that everyone would receive a sufficient share to experience freedom. To promote freedom and autonomy, a degrowth society must ensure that everyone has a portion of the available capital, particularly through careful distribution. This approach echoes socialist propositions, such as planned economies or, as one degrowth scholar described, a democratically run confederal economy that includes broader forms of planning and opposes the current lack of transparency found in debt money (Fotopoulos, 2010).

Thus, in summary, there are at least three characteristics of banking that have been discussed that are considered problematic in a democratic society from a degrowth perspective: growth-inducing, anonymity, and non-democratic control. The first attribute relates to critiques towards the productive factor of modern ideology, while the latter two relate to the critique of the second attribute of the modern ideology, i.e., individualism. Indeed, it is through the perspective of challenging individualism that anonymity and non-democratic control become most problematic in the way banking operates.

2.6.6 Ethical Banking as a Degrowth Model

Finding a type of bank that effectively answers these two critiques together is difficult, if not impossible, because of the contradiction of such a model with modernity. However, a type of bank that emerged from the socialist, spiritual and environmental traditions, namely ethical banks, have a narrative that comes close to offering two fresh perspectives on these critiques: they publicly argue they use their money only to fund ecological and social alternatives while doing so democratically. If ethical banks prove connected to degrowth principles, they can have been experimenting with strong sustainability principles and degrowth principles in their activities since the 1970s. Their example could help inform current critiques and propositions, as outlined previously, which consider reforming the financial system in a way that respects both degrowth principles. In this context, should ethical banks relate to challenging individualism and productivism, they might appear as perfect candidates to push the principles of degrowth banking. As such, they could provide an approach that effectively answers the limits to sustainable development in (and through) banking while offering a clear path for a sustainable transition of the financial sector – a crucial part of the transition.

In the next section, ethical banks are defined, and their history is delineated. The hypothetical link between ethical banks and the critique of modernity from the degrowth literature is also discussed, and the triple historical origins of ethical banks, namely from the Environmental, Steinerian and Associationist movements, is put into perspective. Indeed, the triple origins motivated this research to focus on ethical banks, as their origins are based on answering fundamental critiques connected to the dual critique of degrowth. Therefore, this argument will be presented, and the proximity between the origins of ethical banks and degrowth will be assessed in Chapter 4

2.7 What are Ethical Banks and Why Do They Matter?

It has been shown that in response to sustainable development failing to produce the outcome it sought, degrowth emerged as a new direction towards the goals of protecting the environment and fostering human well-being, one that challenges the paradigm of modernity regarding the values of productivism and individualism. While live examples of economic organisations applying degrowth principles are lacking due to the fundamental opposition between the current ideology and the ideology of degrowth, a small group of banks present a discourse that echoes the latter ideology: a group of banks commonly called 'ethical banks'. Illustrating their discourses, the Global Alliance for Banking on Values (GABV), a federation of ethical banks, describes that while 'generating reasonable profit is recognised as an essential requirement of values-based banking, it is not the main objective' and that they 'actively engage with the broader stakeholder community, taking their views into account in strategic decision making' (GABV, n.d.-a). In these two statements, the GABV effectively conveys a narrative that reflects the two main critiques of degrowth proponents towards banking: a focus on profit maximisation, which drives a growth imperative, and a lack of democratic participation. This is the reason why the narrative found in the GABV, and bank members of the association was the starting point of this thesis, whose goal is to understand the environment that shaped this narrative in this small group of banks and what their ideology can teach in perspective of degrowth principles in terms of implementation in today's world.

2.7.1 Nomenclature of Ethical Banks

Ethical banks are called many different names in the literature. Schäfer & Utz, 2021 (p. 8) named these banks as: "alternative, ethical, social, sustainable, solidarity, poverty alleviation, and development banking". Ganzo (2014) described them as *eco-social-transparent banks*. Finally, *responsible banks, green banks,* and *values-based banks* were further terminologies used to discuss these banks in the literature. However, all these terminologies can be ambiguous (Martínez, Rambaud, & Oller, 2020). For example, social, solidarity and savings banks better relate to banks strictly from the associationist movement and which are not nearly as concerned with environmental issues as those previously described as *ethical banks* (ibid.).

Furthermore, *poverty alleviation* and *development banking* are mostly used to describe microfinance institutions that are mainly found in low-income countries, while the ethical banking movement is mainly European, although there are now representatives in Eastern Europe, the United States and southern countries (Karl, 2015). In addition, *sustainable* or *green banks* could relate to all types of sustainability, while this study is interested in banks that specifically originate from the strong perspective of environmentalism (including the anthroposophical movement) of the 1970s. There are three terminologies, however, that better relate to the principles and ethics of ethical banks that are inspired or influenced by all three origins sought in this research, namely environmental, anthroposophical, and associationist principles. The *alternative bank* nomenclature expresses the perspective of an alternative to the liberal movement and part of a third movement, while the *ethical bank* nomenclature represents well the priority of implementing ethical norms that commonly reflect supporting the less favourable portion of the population and the protection of the environment. *Responsible bank* also encompasses well the holistic perspective of caring for the interconnection between humans, and between humans and the rest of nature. *Values-based banks* could also represent the types of banks selected in this study well, but this nomenclature should be cautiously used. Indeed, while being a terminology close to *ethical banks*, it originates from the actors of the ethical banking movement, and the usage of such a term in this study might lead to an involuntary legitimation process[21]. Therefore, *responsible, alternative* and *ethical banking* nomenclatures are preferred in this thesis.

2.7.2 Ethical Banks: Most Common Academic Definitions

Ethical banking is often said to have no common academic definition in the literature, such as Remer (2014, p. 267) states that 'it should be noted that there is no ultimate definition of social banking, neither globally nor in Europe [and] no common frame of reference for this phrase in legal, political, cultural, philosophical or socio-economic terms'. This is why, as will be discussed in the next section, this research followed an inductive form of approach, which selected the sample of this research based on specific criteria outlined

[21] The GABV describes its members as 'leaders and practitioners [that practice] (…) values-based banking'. (GABV, n.d.-b, 2nd paragraph).

by degrowth, such as an emphasis on human well-being and environmental protection at the cost of profitability, and democratic participation.

This diversity of ethical banking models supposedly creates difficulties in defining ethical banking and is commonly argued to be linked to the diversity of origins of ethical banks. The majority of studies focus on banks that emerged from the three previously discussed historical movements (the associationism movement, the environmentalism movement, and the anthroposophical movement), which were found to be relevant in this study, as will be discussed in Chapter 4 (Olaf Weber, 2012). In the context of this study, each of these three movements has its specificity in terms of the main mission and essential principles that reflect the previously outlined critiques put forth by degrowth. First, the associationism movement, a social movement of the nineteenth century that started with the same diagnosis as communism, focused on pooling resources between workers rather than the centralised-focused approach found in communism. These created cooperative banks, some of which became part of today's ethical banking community. Second, the 1970s counter-movement of environmentalism described above was also a direct inspiration for the creation of some ethical banks, such as the Alternative Bank of Switzerland, which cited the 'spark' of 1968 as the catalyst for its initiative (König & Wespe, 2015, p. 15). Finally, the anthroposophical spirituality of Rudolf Steiner was a movement known for its entrepreneurial nature, and banks were a way for anthroposophists to fund and develop their economic initiatives, such as biodynamic farming or Waldorf Schools (McKanan, 2017). Other ethical banks take inspiration from Christian, Quacker, or Islamic inspirations, but, as will be discussed later, they were not selected in this study as they did not reflect the concept of degrowth to the same extent. However, having such diverse historical origins, there were broad commonalities between all ethical banks emerging from these three origins. In fact, many of the ethical banking criteria found in the literature are similar, such as noted by Győri, Khan, & Szegedi (2021).

First, the most defined criteria found in the literature described ethical banks as those that limit their funding activities to green and social projects. To find and select projects, ethical banks work with ethical guidelines that exclude specific sectors, types of activities and behaviours (Buttle, 2007; Climent, 2018; Győri et al., 2021; Kocornik-Mina et al., 2021; Paulet et al., 2015; Remer, 2014; Olaf Weber, 2014). To illustrate, Climent, 2018 (p. 7) described that ethical banks refuse 'to finance certain products (e.g., arms) and companies that violate human rights'. Moreover, ethical banks select their funding with positive criteria based on favouring 'social and ecological housing, organic farming, renewable energies, social business, green technology, small- and medium-size companies' (Paulet et al., 2015, p. 201). In addition, Climent found loans are picked by 'an ethical committee (that) evaluates the project from the ethical point of view and then determines whether it is financially viable' (Climent, 2018, p. 7). The specificity of ethical banks, which challenges productivity, is that they declare that selecting green and social projects takes priority in the sequence of the credit evaluation process, which begins with ethical screening and ends with financial screening. This characterises an approach that replaces the priority of productivity with a priority of social and environmental criteria.

This change in priority of the productive dimension of ethical banks is further found in their risk-averse and less profit-oriented approach (Guzmán et al., 2023; Karl, 2015; Paulet et al., 2015). This was illustrated by the propensity of ethical banks to limit their exposure to international finance by offering investment products and funding activities mainly active in the real economy and within their country (Callejas-Albiñana, Martínez-Rodríguez, Callejas-Albiñana, & de Vidales-Carrasco, 2017; Cornée & Szafarz, 2014; Schäfer & Utz, 2021; Weber, 2016). Their more cautious approach to risk is notably highlighted with ethical banks having '(t)he ratio of customer deposits to total assets (that) is significantly higher in alternative banks (77%) than in conventional banks (65%)', which makes them more resilient in the event of risk if they materialise (Karl, 2015, p. 18). As a result of this more cautious approach to risk, they were commonly described as creating new products to support 'innovative markets, even if some of them may be initially not very profitable' (Paulet, Parnaudeau, & Relano, 2015, p. 201). In fact, offering credit even when such an endeavour is not profitable is described as a defining feature of ethical banking as this relates to their ethical goals (ibid.). There is, therefore, an interplay in ethical banking in which they exhibit simultaneously a more cautious approach to risk while taking on more risks for social and environmental reasons.

In addition, ethical banks are characterised by their higher form of transparency and their participative governance system (Climent, 2018; Guzmán et al., 2023; Győri et al., 2021; Krause & Battenfeld, 2019; San-Jose, Retolaza, & Gutierrez-Goiria, 2011; Valls Martínez, Martín-Cervantes, & Peña Rodríguez, 2021). Firstly, they usually publish traditionally confidential information such as their (mainly) professional loans with details of the beneficiary and the amount, the salaries of their employees and directors, their ethical criteria grid for loans, or their management guidelines. Second, members of these institutions are said to be able to take part in discussions and decision-making processes structuring the banks, such as those currently found in sociocracy organisations.

These outlines characteristics appear alternative to the modern discourse and reflect well the dual critique of banking put forth by degrowth. However, the literature has not related ethical banks and degrowth together, even though these banks could offer a narrative that fosters alternative social norms, culture and structures that may inform the implementation of degrowth principles in banking.

Ultimately, these criteria and characteristics delineate a small group of banks that originated from the anthroposophically-inspired GLS Bank in Germany and Triodos Bank in the Netherlands. They continued inspiring the creation of banks in Europe that were created with supposedly similar values and principles and that are now part of a network of banks linked by official associations such as the GABV or the Federation of Ethical and Alternative Banks and Financiers (FEBEA).

Indeed, directly following the initial movement created by the GLS and Triodos Banks, five other anthroposophically-inspired ethical banks were created in Europe: The Merkur Bank founded in Denmark in 1982, the Freie Gemeinschaftsbank in Switzerland in 1984, La Nef in France in 1989, the Cultura Bank in Norway in 1997, and the Ekobanken in Sweden in 1998. They were all either directly in relation to each other or directly inspired by the principles of other anthroposophically inspired banks. In addition, at least thirty other ethical banks emerged following the same model and ethics but based on secular legitimations compared to their anthroposophical-inspired counterparts (Milano, 2011). While the link between these anthroposophical-inspired institutions and secular ethical banks is unclear, anthroposophical-inspired ethical banks contributed to paving the way for a model that inspired these initiatives. Today, these links have been formalised with ethical banks creating different associations such as the International Association of Investors in the Social Economy (INAISE) in 1989, the European Federation of Ethical and Alternative Banks and Financiers (FEBEA) in 2001, and the more recent Global Alliance for Banking on Values (GABV) in 2009 as a response to the financial crisis.

Therefore, ethical banks in high-income European countries that can inform on degrowth have been shown to emerge from three different origins, associationism, environmentalism, and anthroposophy, and feature a priority of moral values over productive ones, as well as implement transparent and democratic forms of governance in their model.

However, to make sense of this definition of ethical banking in the literature, a historical interpretation of their principles and values is necessary. In fact, this current interpretation of ethical banking is very limited in the sense that it is based on broad principles; however, many contemporary banks could relate to such principles. For example, conscious management of risk is a key feature of modern banking, as the sector is heavily regulated to avoid systemic risks. Furthermore, many modern organisations feature democratic governance, which is often called teal or agile organisations. They may not be prevalent in banking, but they do not directly constitute a response towards the critique of degrowth. In addition, the creation of long-lasting relationships and trust is also crucial in banking. In fact, trust is central to banking since, without it, it leads to bank runs. Therefore, trust is also an essential feature of banking, rather than an attribute that can be used to differentiate the ethical banking model from the modern one. Finally, the focus on environmental and social issues is a crucial feature of sustainable development, as outlined previously, and is now featured in most modern banks.

Therefore, while these criteria can inform on ethical banking, they lack the nuance and substances to make them helpful in understanding what they are specifically designed to do and how ethical banks re-interpreting these characteristics in a way that is genuinely alternative to modernity. This is why this research aims to provide a fresh interpretation of ethical banking, both from a historical perspective and cross-sectional assessment, to potentially inform on a degrowth banking model.

2.8 Connection to Degrowth Principles

In conclusion, this chapter presented the initial objectives of sustainable development and demonstrated the extent to which sustainable development has failed to achieve its objectives, particularly considering the increasingly concerning environmental context and the alarming trend of rising economic inequalities in industrialised countries. This observation has led to an examination of the primary modern values that underpin these shortcomings. This modern framework was put in perspective of the view from degrowth which outlined the subsequent subjugation of societies because of the emphasis on economic production as the Western central goal, thereby weakening social structures into individuals who compete with one another for resources.

As a result, the distinction between weak and strong sustainability was offered as an explanatory perspective for the observed interpretation of goals and outcomes of sustainable development. The weak and strong sustainability distinction is based on two different perspectives on the ability to substitute human capital for natural capital. In other words, the distinction lies in the answer to the question: is human-made technology capable of fully replacing the roles that nature plays in our activities, such as the provision of resources? The positive answer to this question creates the weak sustainability assumption that future technologies will be able to completely decouple human activities from impacting nature. On the other hand, a negative answer to this question creates the strong sustainability paradigm, following the 1960s environmentalist movement featuring a critical perspective of technology and argument for limiting economic growth. As a result, the main principles of strong sustainability emphasise maintaining economic activity at a level that represents the ability of nature to fully renew itself. The weak and strong sustainability distinction frames sustainability and creates a perspective to better understand the type of chosen solutions in different sustainable scenarios, such as sustainable development.

This distinction was then offered to understand degrowth as a critique of the demonstrated shortcomings of sustainable development. This movement was described as a social project that involved resizing human activities in relation to environmental boundaries by fairly and democratically distributing resources to create a more just society. From this project, this introduction outlined how the movement of degrowth addressed two main critiques of banking in light of modern ideology. First, the social institution of banks is creating an imperative for growth by creating a model that strongly incentivises more productivity. Because of the systemic importance of the banking system in its role of supplying money to the economy, the imperative banking growth structures society towards an inevitable social and environmental collapse. Secondly, modern banking does not allow for democratic monitoring or participation of the ethical considerations it may be faced with, making it especially incompatible with a liberal and democratic world that limits growth in which resources must be distributed democratically. These two main critiques of degrowth reflect the two main paradigms of degrowth: managing the productive system to re-embed the economy to its instrumental nature and creating democratic instances to create more solidarity and justice, as well as to offer more autonomy and freedom.

The organisational and moral models of ethical banks were subsequently offered as cases that will be explored in this research for their potential to inform a degrowth banking model, which could effectively answer both outlined critiques and the issues faced in modernity. Ethical banks in Western industrialised countries were defined as those that emerged from a historical mix of associationism, environmentalism and anthroposophy, and which are characterised based on four main principles: (1) focussing their financial instruments to support activities that contribute to alleviating environmental and social problems, (2) favouring creating long-lasting relationships based on trust, community, and democracy, (3) having a more cautious approach to risk and a lower focus on profitability, (4) specifically innovating for new instruments targeting their ethical goals. Moreover, the interconnection between these criteria and the principles of degrowth within the context of banking organisations is particularly distinct, as it may potentially lead to challenges in maintaining viability in the current, highly competitive, modern market environment.

While ethical banks were offered as potential candidates to address the double degrowth critique of banking, this introduction demonstrated that the current definition and literature on the subject lacks a clear explanation of how and why they can be an alternative to modernity. As a result, it is currently not possible to make a thorough case for ethical banking in the context of degrowth due to the lack of nuance in the literature and a deep understanding of the key characteristics of ethical banking and how it differs from modernity. This is what this research aims to address in such a way as to offer insightful propositions to the dual critique of banking found in degrowth.

3 An Explorative Fieldwork to Understand the Ideology of Sustainability in Ethical Banking

Introduction

The method is designed to provide the foundation for developing the fundamental characteristics of banking in a degrowth paradigm in high-income countries based on insights derived empirically from the field. The existing literature on degrowth banking has primarily engaged in theoretical discourse, with a particular emphasis on the examination of banking instruments. Considering this observation, the present study aims to substantiate these discussions by outlining the various responses to the current challenges in terms of norms, culture and social structures, with reference to real-life examples. Accordingly, the selected methodology is intended to provide a comprehensive overview of the diverse narratives associated with ethical banking institutions and their respective perspectives on modernity. The selected research design, which is discussed in this chapter, is intended to align with the aim of providing a cross-sectional perspective on the discourses that can be found in the field of ethical banks, with the objective of informing on the dual critiques of banking that have been proposed in the context of degrowth.

Indeed, the fieldwork was guided by an exploration of new narratives in ethical banking, employing a theoretical form of sampling that evolved throughout the research based on a continuous qualitative analysis of the collected material. Consequently, the discourses of 15 distinct ethical banks were qualitatively assessed from 115 official documents that were publicly available and supplemented by a series of 25 interviews with stakeholders. These included bankers from systemically important banks (SIBs), with the specific objective of refining the results and ensuring greater consistency. A further 412 publicly available documents from SIBs were collected and analysed to develop an in-depth understanding of the solutions found in ethical banking from the perspective of modern institutions, amounting to 527 collected documents.

This chapter outlines the methodological framework, which is inspired by the grounded theory and is designed to be both flexible and rigorous to gather and analyse the data. This approach allowed an investigation of the banking field, which is often understood as difficult to access due to the potential power dynamics and secrecy that may interfere with the research process. Moreover, the fieldwork was conducted during the ongoing pandemic, which had a significant impact on the data collection process. Accordingly, the monitoring of the fieldwork was crucial to the success of this methodology, which aimed to strike a balance between robustness and flexibility to overcome challenges that could arise. The strategies used are presented in this chapter and include the use of theoretical sampling, which evolved throughout the research process; a continuous review of the collected material; the collection of different sources of information; and the analysis of the material from various angles, including a historical perspective, the perspective of challenging productivism, and the standpoint of challenging individualism. The limitations of these strategies, as well as their respective advantages, are discussed in detail.

After delineating the scope and limits of this research, the choices motivating the selected sample will be presented, specifically from the view of the ethical banking movement in high-income European countries. This movement is identified as consisting of banks within the close network of the Global Alliance for Banking on Values (GABV). As discussed in the previous chapter, these banks have emerged from a historical legacy that potentially represents a challenge to the principles of modernity. Subsequently, the banks included in the sample will be introduced, and their origins, stated goals, and relatedness to the GABV network described in detail. The following section will present a discussion of the chronology of the fieldwork conducted between 2020 and 2023. It will detail the initial aims, how they evolved throughout the fieldwork, and the challenges and opportunities that arose during the three years of data collection. The chapter will conclude with a description of the data collected and how they were analysed to provide the necessary basis for understanding the results presented in the following chapters.

3.1 A Multi-Dimensional Approach in Response to a Challenging Field

This research thesis adopted an inductive methodology to explore a field that lacks the support of existing literature, and which evolved in response to the difficulties encountered during the fieldwork. This research design, inspired by key features of grounded theory, used a theoretical form of sampling accompanied by an iterative process of coding to guide the fieldwork. The collected data was then interpreted using thematic analysis to offer insights and lay the groundwork for answering the dual critiques of banking raised by the degrowth movement. Accordingly, this research adheres to a relativistic paradigm in the production of knowledge and seeks to provide direction and innovative ideas for the rapidly evolving field of degrowth, a field that is likely to become increasingly relevant as the impacts of climate change intensify.

The selected methodology primarily aimed to remain rigorous while being flexible, which allowed for an exploration of the banking field in a way that would not have been feasible otherwise. Indeed, the theoretical form of sampling allows highlighting obstacles encountered during fieldwork and to overcome them by by taking on new directions in the research. Therefore, it was essential to adopt a flexible qualitative approach to the fieldwork to address the inherent complexity of the banking domain.

However, to remain rigorous, the fieldwork required careful attention and structure. A journal was kept recording all documents collected, contacts made and outcomes of these contacts, as well as new directions taken. The journal is not included in the annexe as it was not possible to anonymise the information in a way that kept it meaningful. However, the contents of the journal have been used to describe the details of the fieldwork described below, including the number of documents collected, the number of contacts made, the changes of direction, and the chronology of the fieldwork. Furthermore, the methodology entailed two phases of coding. The initial phase, conducted concurrently with data collection, enabled the researcher to assess the progress of the fieldwork in relation to the research objectives. This phase concluded when the introduction of new data failed to yield any new insights. In this phase, a codebook was constructed in accordance with the research objectives prior to the fieldwork, and the new data were directly classified within the predetermined codes. The second phase was conducted following the conclusion of data collection, with the objective of creating codes based on the most common occurrences within the data set. The initial stage of coding is concerned with monitoring the progress of the field, whereas the concluding stage is focused on making sense of the data and developing a theory.

Moreover, although the fieldwork was not designed to be representative of ethical banking, it aimed to provide a comprehensive understanding of the diverse ethical frameworks found in ethical banks that challenge modernity in high-income European countries. The chosen sampling method was thus designed with this initial goal in mind, facilitating access to a field that had previously proven challenging to enter. Consequently, the sampling method provided access to bank employees who are not usually available, with the study featuring multiple CEOs and board members. Moreover, a diverse range of ethical banking professionals were interviewed, including those in retail, communications, back office, loan officer, managerial, and sustainability management roles, representing both junior and senior positions. The objective was to include a wide range of opinions on ethical banking, to provide a broad perspective.

The final sample of ethical banks is primarily comprised of members of the Global Alliance for Banking on Values (GABV). Consequently, this research was designed in such a way as to avoid the inadvertent legitimisation of ethical banking or a specific network. In addition, the extensive anonymisation process, while necessary to facilitate access, was also a crucial strategy to prevent this study from being used as a marketing platform. Conversely, this apparent alignment between the research and the stated goals of the ethical banks fostered a climate of trust and facilitated open dialogue with the ethical bankers, enabling in-depth and nuanced conversations. Furthermore, a critical approach to ethical banking was adopted to provide insights to support the existing literature on degrowth and to highlight the shortcomings of ethical banking in relation to the dual critique of banking put forward by degrowth. Ultimately, combining diverse methodological approaches of sampling, data collection, and analysis allows for the consideration of unanticipated directions. This illustrates the value of a flexible and relativistic approach to the methodology of this thesis, which was designed to capitalise on the opportunities presented by the fieldwork.

3.2 Grounded Theory, the Starting Point of this Research

3.2.1 A Grounded Theory Inspired Research Design

In 1967, Glaser and Strauss published their seminal book, *The Discovery of Grounded Theory*, an unusual title for a publication developing a new qualitative research method (Glaser & Strauss, 1967). However, the name itself illustrates the underlying methodology, a methodology that constructs an emerging theory not as the product of the researchers in the traditional sense but rather as the process through which the researchers 'dig it out' of the field. As the title of the book suggests, the method was derived from qualitative data that the researchers reorganised to construct a theory. Consequently, they 'discovered' grounded theory rather than 'inventing' it. By emphasising the iterative and exploratory nature of the research process, Glaser and Strauss provided a novel approach to qualitative research methods that better represents the reality of social phenomena. This approach has become one of the most used qualitative methods today.

The grounded theory is an inductive qualitative research method. The method uses codes to represent the meaning of underlying qualitative content, with the aim of highlighting recurring themes. These themes are then rearranged to form a theory. In its original conception, this method was characterised by a deliberate effort to approach the fieldwork with as blank a canvas as possible (Clark, Foster, Sloan, & Bryman, 2021). However, today, the grounded theory has been reinterpreted in so many different forms that it is impossible to define unambiguously (ibid.).

Consequently, this research did not use the grounded theory per se but rather employed three key features attributed to grounded theory, chosen to address the specificities of this fieldwork: (1) a qualitative exploration approach based on a theoretical form of sampling, (2) an iterative process to continuously monitor the development of the fieldwork, and (3) the use of a paragraph-by-paragraph coding approach to gain a comprehensive understanding of the fieldwork. These features address the three specificities of the fieldwork, which are as follows: (1) degrowth business practices are primarily considered based on qualitative principles (as will be discussed in further detail below), (2) degrowth business practices are still lacking in terms of literature and theories, with none existing in banking, and (3) banking is a field that is difficult to access. Indeed, access is even more challenging in the context of this research, given that degrowth is still a controversial subject that may result in limiting opportunities to access relevant information and data. Accordingly, this research aims to use a qualitative approach to offer the first elements of a theory of social norms and structures reflecting degrowth principles in banking while contributing to opening doors and laying the groundwork for a theory of banks in degrowth.

3.2.2 Exploring Degrowth in Banking

The first key feature is related to the *exploratory* nature of the grounded theory. It describes the approach of going into the field with a specific framework and hypothesis that are rendered increasingly precise with the evolution of the fieldwork. In this qualitative context, exploring refers to having solid objectives and knowledge of the literature but leaving the research direction open to consider unforeseeable opportunities to formulate a theory (Bryant & Charmaz, 2010).

The use of an exploratory research design was motivated by the lack of sufficient literature on real-life examples of practices that could support an a priori form of sampling to choose the dataset. Indeed, most literature on degrowth in the context of banking addresses the nature of instruments, with a particular emphasis on a macroeconomic dimension, as previously discussed in Chapter 2. The literature focuses on the nature of money creation in banking and whether this process inevitably results in a growth imperative. However, those who oppose this perspective argue that a growth imperative exists but that it is related to social context and norms but offers limited insights into the specifics. In this context, exploratory research has the potential to stimulate new research interests despite the lack of robust theoretical support to guide fieldwork. Indeed, exploratory research is essential for the creation of scientific knowledge in situations where theory is insufficient. By following surprising leads and embracing serendipity, exploratory research creates opportunities to develop new scientific opportunities compared to research focusing on literature gaps, which can create 'a shortage of interesting and influential studies' (Alvesson & Sandberg, 2011, p. 266). Therefore, exploratory research is a valuable tool for generating new insights in under-researched fields, such as ethical banking.

While there are examples of the exploration of the meaning of degrowth in the context of real-world corporations, they remain limited in number and are not related to the field of banking. These studies highlight the broad principles that characterise degrowth in an organisational context. For instance, Nesterova (2020) proposes that businesses that embrace degrowth principles prioritise environmental stewardship, are designed primarily to satisfy genuine human needs, maintain a relatively small scale if possible, and deviate from profit maximisation imperatives. Sekulova, Kallis, Rodríguez-Labajos, & Schneider (2013) emphasise that businesses operating within a degrowth context adopt a profit-making approach that is characterised by sufficiency rather than maximisation and prioritise human well-being over productive factors. Moreover, research on strong sustainability, which was demonstrated to be the original framework of degrowth, is also scarce in this area, with a few exceptions that offer an interpretation of the application of strong sustainability in an organisation that correlates well with the views of Nesterova. These exceptions include the view that nature should be regarded as the primary stakeholder, that organisations should adopt a local approach, that economic growth should be limited, and that values beyond financial aspects should be considered (Beltramello & Bootz, 2022; Landrum, 2018).

The existing literature on the implementation of degrowth practices is focused on urbanisation or small communities. For example, Kallis, Varvarousis, & Petridis, (2022) examined a community that reflected degrowth principles and found a number of embodied principles, including 'slowness, moderation, and conviviality' (p. 1). These criteria are in line with the definition of degrowth presented in Chapter 2, which opposes the modern trend towards increased efficiency and emphasis on technological development. Nevertheless, these values can be motivated and implemented through a variety of activities that have yet to be defined with greater precision. Indeed, the existing literature fails to provide insight into the meaning, interpretation, and consequences of these values in the workplace for employees, especially bankers, who play a leading role in supporting economic growth. This is why further research is needed to link degrowth with real-world business practices and to identify the motivations behind this research, as argued by Nesterova (2020).

Moreover, the banking field requires a certain degree of caution due to the high level of complexity that it inherently possesses, which is further compounded by its role in the economic system. Indeed, bankers employ instruments that allow them to multiply their reserves, generating complexity in several areas, including accounting, regulations, procedures and governance. Furthermore, they play a central role in economic systems, engaging with a diverse range of sectors and organisations. The implementation of degrowth principles in this context raises interactions with all the dimensions and organisations. Consequently, the challenges and opportunities facing banking regarding degrowth may manifest in ways that are difficult to anticipate and that a narrow methodology cannot fully capture. These difficulties are exemplified by the contradiction identified in the degrowth literature on banking regarding the interpretations of banking theory, notably in relation to the understanding of the creation of money. Consequently, this research design followed a methodology that considered both literature and field knowledge as driving forces during the fieldwork (Goulding, 2002). Indeed, in grounded theory, the 'knowledge and theory are used as if they were another informant', thereby recognising the importance of field expertise in explorative approaches to extend and build new knowledge (ibid., p. 42). As the goal of such a research design is to provide key building blocks for theory development, the existing theory serves as a reference point, equally as much as the knowledge derived from the field.

The process of exploration within the grounded theory directly reflects the sampling approach of theoretical sampling. This refers to a type of sampling that is subject to evolution throughout the research project based on the emergence of new insights and the collection of additional data (Clark et al., 2021). In fact, theoretical sampling is based on the exploration of a multitude of 'places, people and events' (ibid., p. 1193) to identify new samples through data comparison and to capitalise on opportunities to collect new data that can further support the theory-building process. Consequently, rather than adopting a pre-defined set of banks for investigation, the sample was refined with each additional document, interview, recommendation, and discourse, enabling a more nuanced understanding of specific topics, challenges, and opportunities. This allows the researcher to proceed with limited theoretical support, especially with respect to the field of degrowth banking. In fact, to identify banks that can provide insight into the practical application of degrowth principles, it is necessary to engage in a process of trial and error. An a priori sampling approach would not permit such flexibility, as it would necessitate a predetermined focus from the outset. However, as previously discussed, this necessitates a substantial theoretical foundation, which is currently lacking in the field of degrowth banking.

This theoretical form of sampling was also instrumental, given the need for greater flexibility in the event of adversity (Charmaz & Thornberg, 2021). This was particularly beneficial in the context of the global pandemic, which occurred during the fieldwork period and resulted in a transformation of the social landscape, creating further constraints on access to relevant data. Additionally, it became evident that a considerable proportion of bankers engaged in sustainability roles belonged to an elite demographic, which in turn limited the development of the fieldwork. These challenges were addressed by employing a detective-like approach, allowing for the selection of data sources that could evolve in response to changing circumstances. This flexibility in research methodology enabled leads to be followed and obstacles to be overcome, contributing to a deeper understanding of the studied phenomenon while remaining consistent with the subject. This is why exploration and theoretical sampling were selected as the research design, as they allow for the multiplication of opportunities to increase the chances of arriving at meaningful results. Consequently, the final sample of banks included in this study, which will be presented in the following section, is the result of the evolution of the fieldwork that 'dug it out'.

3.2.3 The Iterative Process as a Guide

To pursue leads, an exploration based on theoretical sampling necessitates the second key feature borrowed from grounded theory: an iterative process between data collection and theory building. Indeed, in qualitative research, there is commonly an overlap between the process of interpreting the data and the process of collecting the data, which is known as an *iterative approach* (Clark et al., 2021). This approach to fieldwork development is characterised by a series of iterative cycles between data collection, data analysis and interpretation (Schwartz-Shea & Yanow, 2013). This implies that each time data is collected, it is immediately analysed, and the results are used to inform the interpretation. The qualitative analysis of the data, based on the use of codes as will be described below, allows for the continuous process of creating meaning out of what is collected. Consequently, the newly acquired insights into the data can be employed to inform future decisions, such as the identification of pertinent data sets for further exploration, the refinement of the interview guide, and the selection of suitable informants.

There were multiple scenarios in which new data helped guide the following fieldwork. The first of these was when concurrent information appeared multiple times in different discourses. This included information specifically relevant to moral values, stakeholders, or practices. When information concurred, the continuous analysis of data enabled the identification of common occurrences, which in turn facilitated the selection of new informants, documents, or new questions. Moreover, even in instances where the information was anecdotal but related to degrowth principles, the topic was subsequently investigated in subsequent interviews or newly collected documents. When such added information was identified, it was also employed to enhance the understanding of the previously collected data. In addition, continuously interpreting the data collected ensured that new opportunities could be identified and pursued when new data did not provide new insights or when outreach efforts did not yield results.

Similarly, a theoretical form of sampling may result in indecisiveness and the generation of false leads, as evidenced by the fieldwork undertaken. Nevertheless, these are important for the conduction of the fieldwork. Indeed, it is not desirable to eliminate false leads entirely in this sampling method, as these can also provide valuable information. Therefore, the primary challenge lies in the ability to discern such misleading leads and to manage the impact they have on achieving the targeted direction of the fieldwork.

In this context, the iterative process was instrumental. Indeed, this approach made it possible to continuously monitor the direction of the fieldwork and assess whether the latest information contributed to attaining the research objectives. Consequently, each newly-collected and analysed material was contextualised to assess its potential contribution to an understanding of the degrowth critique of the growth imperative and the lack of democratic oversight in banking.

3.2.4 Coding Towards Understanding through Thematic Analysis

To make sense of concurrent data and to guide the research based on an iterative and qualitative approach, the methodology must ensure the visibility of the meaning of the data in the context of the research. This is the role of the final key feature of grounded theory, namely coding. In this study, the coding approach comprised two distinct phases: a pre-coding phase conducted throughout the data collection process and a post-coding phase based on thematic analysis, which was employed to facilitate the interpretation of the final data set.

A pre-coding phase represents a phase of the coding process that is ongoing during the evolution of fieldwork, employing an iterative approach and was used during the fieldwork (Clark et al., 2021). The pre-coding process relies on the creation of an initial codebook at the beginning of the research project. This codebook is based on the research goals, subsequent literature, and the first collected documents. In this case, the initial documents collected comprised the articles of association and annual and sustainable reports of ethical banks and SIBs, which were analysed using a word frequency analysis with the qualitative data analysis software MAXQDA. This was done to identify broad categories related to degrowth, including sustainable development, strong sustainability, social justice, and so forth (see Annex G1). A word-frequency analysis is a method of identifying the most frequently occurring words and the number of times they appear, which are then grouped to form categories. A total of 17 categories were identified and subsequently described to support the pre-coding process.

Each time new material was collected; the content was assigned qualitative codes corresponding to the categories in the codebook. During this early coding, the researcher's role is to produce as many different codes that relate to the previously outlined 17 themes to represent the data and ensure nothing important is missed (Creswell & Poth, 2016). These codes were brief, representative phrases that captured the essence of the underlying statements, aiming to represent the discourse[22] (Saldana, 2015). If a code did not fit within the pre-established categories, a new category was created, or the code was included in a category designated as 'other'. The use of multiple codes for the same data was frequent and ensured that the diversity of interpretation of the collected material was highlighted. Consequently, this methodology results in the creation of an extensive number of codes, which may be merged with other codes or deleted if they do not inform the objectives of the research. Consequently, between interviews or the collection of new

[22] There are different types of qualitative coding, but the paragraph-by-paragraph approach was appropriate for this research to represent the exploratory methodology, as it allowed to produce many different clues and ideas about the phenomenon being studied, and thus for more potential new insights.

documents, new codes are created and either attributed to existing sub-themes, grouped to create new sub-themes, or discarded.

This process facilitates the monitoring of research progress towards the research goals by providing a preliminary interpretation of the results and maintaining the direction by offering a more explicit path along the way. Consequently, each unique data collected provides valuable information to inform the subsequent phase of fieldwork until the process no longer results in any fresh insights. Indeed, when new data fail to generate different knowledge through the formation of new codes or new themes, the fieldwork has reached what is regarded as saturation, which represents the natural conclusion of the data-gathering process. At this stage, with all the different codes created, it is possible to gain an overview of the themes that have emerged from the fieldwork.

Seizing opportunities was a primary concern of the methodology, given the novelty of the field and the challenges of discussing degrowth in banking. This led to the selection of a methodology that aims to identify all relevant topics and issues that have been collected, leading to producing a vast number of different interpretations. While this approach allows for the identification of a comprehensive range of opportunities, it also introduces a considerable degree of complexity. As a result, this context can saturate the ability of the researcher to assess the data, leading to a paradoxical potential for missed opportunities. As this is a qualitative assessment, the processing of data could not be systematised, as this would not allow for the granular analysis of the collected material required with the chosen research design. This is why this research employed a continuous data analysis approach. This allowed the creation of a manageable amount of qualitative information by framing the production of new codes and themes to be limited to each added collected material.

The coding process concludes with a post-coding phase, which employs thematic analysis. Thematic analysis is defined as the process of identifying and categorising patterns of meaning within a dataset into themes (Braun & Clarke, 2021). This process occurred when no more information emerged regarding the perspective of degrowth on banking with the newly collected material. Once the data collection phase had concluded, the codes and sub-themes that had emerged from the process of collecting and processing the data were laid out and further refined into codes that made sense in the context of the research topic. To minimise the potential for coding errors, the thematic analysis was conducted using a two-step process. Initially, all the created codes were laid out manually, and any closely related ones were merged. Subsequently, the thematic analysis was transposed into MAXQDA for the purpose of ensuring its accuracy and providing a transparent coding interpretation of the data (see the final codebook in Table 2, and the full version in Annex E1). This subsequent process involves the refinement and reduction of the codes into themes, with the aim of providing a theoretical interpretation of the phenomenon. This constitutes the final step of the methodology and fieldwork.

Theme and subthemes	Description	Quote example
Competition	theme that related to competitive settings, attributes, or concepts	
competition: comp_ethic&profits	Described a competitive perspective between their ethic and profitability. This theme reflects the different types of moral values used to justify the activities of informants, as is discussed in Chapter 5.	Theodore: 'You also have to some profit, you have to strenghten our equities but it's not… If it comes to productivity or efficiency, we are quite low if you measure it in numbers. For example, some local banks they have half of our coworkers, but they have they have the same output. So yeah, because what Aloma says, because we traveled just to see the people […]',
competition: comp_regulation	Described a competitive setting due to regulation. This theme highlights the systemic pressures and regulatory limits experienced by informants, discussed in Chapter 4 and 6.	Sarah: 'What we have to explain to customers is that we're an alternative bank, but we're still a bank, so we have to comply with banking criteria. That the regulator's criteria also apply. In general, they think that because they've been refused at another bank, we're going to apply them here. But we're not a social bank and we take everyone (laughs)'.
Hierarchy	theme that related to hierarchisation of people, structure, ideas, concepts	
hierarchy: hie_collab	Hierarchy in terms of collaboration. This theme frames perspectives which discussed the way informants described working together, which is notably discussed in Chapter 6.	Julianna: 'Yeah we have. A lending policy that indicates the factors that you should consider, yeah. But all of our non residential loans go through a process of discussion. Yeah, so we're small enough to be able to do that, yeah, yeah.'
hierarchy: hie_equality	Equality rather than hierarchy.This theme discussed how the relationships were structured in perspective of hierarchies, discussed in Chapter 6.	Lucy: 'I mean, (not maximising profit is) why we can go to each project and personally like with the equality thinking you know it's all like we connect with everybody. And we and then we can decide, not because of profit or just profit also because: who is this person, what does this person wants from us? I think that's quite special. It's like it's not not just "OK, how much money can we make with this project?"'.
History	theme that related to history	
history: hist_roots	Rerenced to their roots. This theme reflected how informants related to the historical movements that led to their creation, which is discussed in Chapter 4.	'(…) we wouldn't exist without (the anthroposophy). It's as simple as that : GLS, Triodos, Mekur Bank, La NEF, Banca Etica, and others, we wouldn't exist without it. So that's the point here. For me it's not about anthroposophy the word, we can deal with the word about opportunities to have that, but the thing we can't just simply say it's our past'.
history: hist_values	Referenced to their historical values. This theme highlights the relationships between the informants and the original moral values of their institution, which is discussed in Chapter 4.	Molly: 'We talk about where our values comes from. I don't think it's it so big. It's like, it's just the way we started. So the employees know where we're from and how we started. But it's not something we talk a lot about'.
Motivation	theme that related to experiencing motivation to work for the bank	

motivation: mot_int_freedom	(un)motivated by the (un)freedom experienced. This theme reflects the description of (un)motivation by informants in perspective of their ability to experience freedom and/or autonomy, which is discussed in Chapter 6.	Elena: '[…] I was thinking it sounds like all fun and games what we're telling you. And I do actually feel extremely restricted here. And it's not like you know the board wants to restrict me. But it's a lot of bank regulation that keeps us working on bullshit, seriously. I mean we spend so much of our time looking at "oh, can we run this website or are there any compliance issues against it?" You know that is that is one part of the things that are really no fun of working here. And I just talked to our leaving head of the board or speaker of the board what he had to say about it and he said, his three last board meetings were about nothing but regulations and he hated it. That's really tough'.
motivation: mot_int_relationship	motivated by the relationships. This theme describes the (un)motivation discussed by informants in terms of relationships with other stakeholders, a theme used in Chapter 6.	Christopher : 'I see labor as a contribution to an organization to do sensible thing to be doing.. So that you see in your contribution that you're contributing and you feel there's a positive effect. And in order to do that, I need an income because I have to feed my children and things like that. And as soon as you have that understanding you come to the inside: "I'm not working for myself. I'm working to make a contribution and my income is dependent on the working of the others so the division of labor'.
Trend	theme that related to seeing their ethic or sustainability as trendy	
trend: trend_attract	Described attractiveness of their model. This theme highlights how informants perceived the attractiveness of their model, which is discussed in Chapter 5 in perspective of the value of productivism.	Sam : The good thing is that people who come to BAS do so actively. They're generally pleased to have found an institution that matches their values, and they come here in a relaxed and grateful way. In other establishments, it's more like 'I'm going to the bank to complain'. In other banks, people generally arrive with a complaint, whereas here they arrive with a good impression, a good feeling. So it's a big change in customer relations, and when we're at the counter, there are often people who leave and say 'ah but I'm very happy to have opened my account here'.
trend: trend_spread	Described wanting to spread their model in the public. This theme frames how informants described their outreaching activities, discussed in Chapter 5 in perspective of their attractiveness to growth.	Theodore: 'Yes, so we we are not consdering ... Yeah we are not considering like on a mission. You have to like because you... You also mentioned the word mission somewhere here. So we don't think it's, our mission to spread everywhere or "yeah we should do that", or "our goal is to...(…). It's the first question... What is the mission? I was thinking 'Oh my God. It's hard question...'. So I think we are not... We are not really thinking or imagining a kind of, or maybe the... Word Mission is a bit which is... Because it it's always... You try to convince somebody'.

Table 2: This table present the final codebook, made out of themes and subthemes created out of the coding process after the data collection. The main two subthemes are presented, while the full version can be found in annex E1. An example of quote for each subtheme is further provided which illustrate the underlying decision-making reasoning

In summary, this process 'involves a movement from generating codes that stay close to the data to more selective and theoretically elaborate ways of conceptualising the phenomena being studied' (Clark et al., 2021, pp. 1646-1647). The research design employed in this thesis is characterised by an exploratory approach and mindset, an iterative approach and the utilisation of systematic thematic coding, which enables the identification of opportunities and the navigation of adverse challenges. This methodology was applied to address the gap in research of degrowth in banking.

3.2.5 Interpreting the Data as a Discourse of the Ideal and Material Realities

The process of data collection and analysis, conducted using a thematic approach, is concluded by the final stage of data interpretation. In this research, the approach reflects an idealist perspective, as evidenced by the investigation of culture, ideas, and narratives of ethical banking. This contrasts with materialist approaches, which exclusively focus on the physical reality and the social structure of power that can be observed. However, contemporary sociology argues that discourses are the product of material reality as much as they are a product of ideas and narratives (Foucault, 1982). This means that discourses can inform both in terms of moral framework and social structures using discourse analysis.

This is of particular significance as the concept of degrowth has been demonstrated to encompass two distinct forms of critique, which are pertinent to both the material and the ideological dimensions of reality. Growth imperatives rely on ideas as much as power structures, which can subjugate and coerce workers into increasing their productivity. In the case of banking employees, for example, values and narratives can be used to push employees towards increasing their production, for instance, by being socially valued in terms of performance. In material terms, employees can be threatened by the power structure in place, for instance, by being forced to follow the objective of their hierarchy.

Specifically, discourse analysis employs an analysis of the discursive repertoire, which reflects the types of construct that give rise to a discourse (Tom Clark et al., 2021). The objective of this research is to identify the specific environment that produces a collective ethical discourse in the context of modernity. This leads to assessing whether discourses challenge modernity or align with it, and the context that motivates these narratives. This approach highlights the cultural, social, and power dynamics that either reinforce alternatives to modernity or prevent challenging modernity.

In this context, discourses can inform on both the ideal and material dimensions. They do this by highlighting the type of pressure felt by employees and the type of value that the employees envision for themselves. In answering the two critiques put forth by degrowth from these two perspectives, this research aims to inform on both the types of moral values that underpin the narratives collected and on the type of influence that ethical bankers describe.

The objective of this research is to identify the key characteristics of a banking model that is aligned with the principles of degrowth. Accordingly, the results are interpreted in the context of the core principles of degrowth, with a view to assessing their affinity with this theoretical framework and informing a theory of degrowth banking. In this way, the research contributes to the broader societal goal of offering solutions to the current social and environmental challenges in high-income European countries. This reflects an outcome-based approach to the chosen epistemological approach, with specific objectives that have been predetermined. For future research, the ethical approach could reflect other forms of ethics, such as deontology or care ethics, which could provide other perspectives for degrowth banking complementary to this project.

3.2.6 Aims and Expectations of this Methodology

This approach is not designed to prove or disprove a theory but to provide the groundwork to construct one. This represents a departure from the modern approach to scientific research, which typically begins with a theory and then tests it in the field. In this field, there is no underlying theory of what a banking organisation should be in the context of degrowth. Instead, broad principles and perspectives informed the research process. Considering this, this research aimed to dig for the knowledge necessary to create a theory of banking in the context of degrowth in high-income European countries. This approach to fieldwork requires shifting the perspective towards other scientific opportunities: new knowledge from the field that supports the creation of theories. This is why this research focused on understanding the alternatives that already exist and survive within the modern framework, thereby better representing those that are more likely to be viable in the long term.

Finally, the primary goal of this research was to access data and information that could substantiate the dual critique of banking put forth by degrowth. Therefore, this research design aimed to be flexible to produce meaningful findings. In fact, this research follows the perspective of Clark et al. (2021, p.1163) who argue that '(f)lexibility can also be a strength rather than a hindrance, as the flexible nature of qualitative research allows researchers to shape their methods around the needs of the social world under investigation, rather than forcing it into preconceived boxes'. This research design was explicitly aimed at understanding a field that is both under-researched, difficult to access, and undefined in terms of the type of banks that relate to degrowth and the meaning that degrowths takes in the field, which primarily required flexibility.

3.3 Scope and Delimitation of the Fieldwork

3.3.1 A Swiss Start

The fieldwork was initiated to tackle the main opposition to a growth imperative that exists between banking and degrowth paradigms. The concept of a 'growth imperative' structured the entire fieldwork programme and informed the decisions taken about sampling and geographical delimitation. Figure 7 provides a summary of the research process, which is explained in greater detail in this subsection. The process involved three distinct rounds of data collection, each supported by a real-time data analysis process. Such an approach was taken to maintain the structure and perspective of the research and to overcome the challenges faced in the field of banking to achieve the initial goals of providing insight into the concept of degrowth banking.

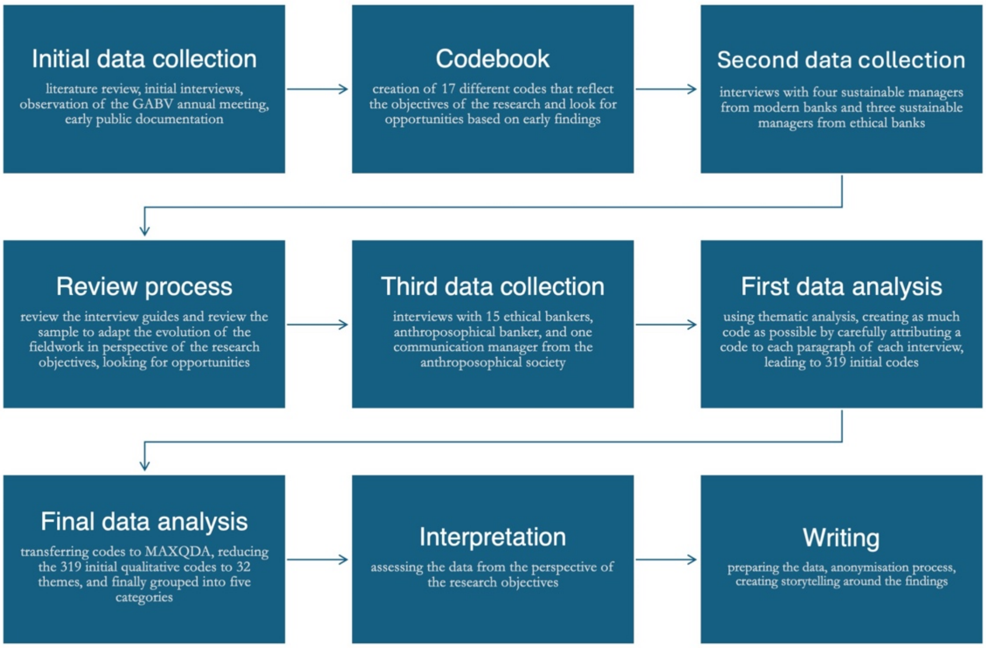

Figure 7: Flowchart of the evolution of the fieldwork.

The fieldwork began in Switzerland, a highly financialised country with one of the highest GDPs in the world, while still aiming to further develop its economic activities. Conversely, Switzerland has a high per capita environmental footprint, which is slightly higher than the average European ecological footprint. This demonstrates that an elevated level of economic development does not necessarily result in a reduction in environmental impact. Conversely, proponents of degrowth argue that as financial activities increase, so do ecological impacts. This research was therefore focused on Switzerland and, subsequently, on neighbouring countries with comparable economic development.

Given the radical nature of the issue of a growth imperative in the context of the financial system, further research is required to gain insight into how such a system can function without growth or with degrowth. Given that degrowth signifies the reduction of the economy to a sustainable level within the confines of environmental limits, the concurrent creation of financial resources to sustain the well-being of all is also a necessity. In low-income countries, this involves economic growth, which gives rise to a distinct set of challenges that differ from those encountered in countries such as Switzerland. Conversely, the concept of degrowth necessitates a radical shift in the paradigm of wealthy nations, characterised by a redefinition of how progress is assessed while simultaneously legitimising the limitation and degrowth of economic activities, including those within the financial sector. This can prove even more challenging in the context of finance, given the competitive culture of banks and their principal role in the money supply system, which supports economic growth.

This further motivated and structured the fieldwork to gain a deeper understanding of the corporate culture and moral framework in banking, with a specific focus on potential links to degrowth paradigms within the context of a modern paradigm that requires a reduction in economic activities. Furthermore, the focus on banking also motivated the fieldwork on banks operating in a highly financialised context, such as is the case in Switzerland. As demonstrated in Chapter 2, the finance sector has the potential to contribute to social justice by reducing inequality when its development is aligned with growth in terms of access to financial products. However, there is an upper limit to such a development, which is followed by an opposite pattern in which the growth of financial services in highly financialised countries results in greater inequality. Therefore, in order to maintain financial activities at an optimal level in highly financialised countries, a shift in paradigm is required towards a system that is primarily designed to contribute to the support of human well-being. This motivated the focus of the fieldwork on insights that could inform on how developing activities in a degrowth context means finding that balance in terms of sizing of financial activities.

Based on theoretical sampling, the fieldwork gradually expanded with each new opportunity to establish a foundation for developing a theory of the primary characteristics of banking in a degrowth paradigm in high-income countries based on insights derived from empirical observations. For this reason, the fieldwork was conducted primarily in high-income European countries that exhibit these characteristics, including France, Italy, Spain, Germany, the United Kingdom, the Netherlands, Denmark and Norway. It would have been possible to select other countries for inclusion in the study, for example, Portugal or Greece. Nevertheless, the fieldwork did not yield such opportunities nor identify a robust network of banks exemplifying paradigms that diverged from the growth-based perspective.

3.3.2 The Gradual Creation of the Sample

After the geographical delineation of the area of investigation, this section addresses the progressive evolution of the sample. The fieldwork was initiated with a single ethical bank, the findings of which led to the selection of the final sample, comprising 15 ethical banks and four traditional banks in high-income European countries.

This research project is concerned with the ethical aspects of banking. It was initiated following an early encounter with the Alternative Bank of Switzerland (ABS), which presented itself as an alternative to other modern banking and financial institutions. This alternative nature was described in public documents as environmentally and socially motivated, prioritising ethical goals at the cost of financially productive activities. This discourse was reminiscent of the degrowth literature. Indeed, such a discourse suggests a form of radicality compared to the concept of sustainable development, which attempts to combine self-interested arguments (i.e. higher financial gains) with selfless ones (i.e. protection of future generations, distant nations, minorities) within the same yet paradoxical win-win mission. This was the initial motivation for undertaking this research, as this model could provide insights that would support the development of a theoretical framework for degrowth in banking.

To gain preliminary insight into the daily work of ethical bankers, an initial series of five interviews was conducted with the bank. The interviews were based on a semi-structured framework, using open-ended questions and allowing topics to evolve in relation to the key issues identified by the informants in the context of the discussion (see Annex C1). The aim of these interviews was to gain insight into how the moral values of the bank were applied by ethical bank employees, how employees experienced them, and how they influenced their motivation. The interview began with an explanation of the research context, the identity of the researcher, and the identity of the informant. The duration of the interviews ranged from half an hour to an hour. This led to the exploration of a multitude of subjects, including the recent popularity of their institutions, their governance structures, the extent of autonomy they enjoyed within their respective banking institution, the competitive landscape in which they operated, particularly considering the larger banking institutions, and the political activism of their respective bank. The data collected was used as a guide to assist in the sampling of the research, as well as to inform the design of the semi-structured interviews. This included information on important networks, such as the Global Alliance for Banking on Values (GABV).

The multiplication of opportunities was a crucial component of the research design, which motivated the request to participate in the international annual meeting of the GABV in 2020, which was hosted by the ABS[23]. A request was made for the one-day event, which was open to individuals outside the GABV. The event was accessible by invitation or by payment of a fee of approximately €500. For this study, the entrance was offered. No other financial relationships were in place prior to or after this offer. Participation in this event facilitated a nuanced understanding of the network and key actors within the GABV. As a result, notes were taken and subsequently incorporated into the thematic analysis.

From that point onwards, the ethical banks of all European countries were listed in the research journal, with the assistance of the preliminary interviews and the literature on ethical banking described in Chapter 2 (Annex A1 for the complete final list). Firmographics (date of creation, country, legal structure) were listed, as well as features relating to sustainability based on the results of the early interviews and the literature (such as an emphasis on the real economy, transparency, participation, limited profitability, and ethical screening). The list continued to evolve throughout the fieldwork, which was completed based on

[23] The GABV annual meeting was open for one day to outsiders of the network and then 3 other days were for members only. I only took part in the first day.

recommendations. One such recommendation was an ethical bank with anthroposophical roots, recommended by the Anthroposophical Society to represent the core principles of anthroposophy in a banking institution. Furthermore, networks such as the European Federation of Ethical and Alternative Banks and Financiers (FEBEA), the Institute for Social Banking (ISB) and the International Association of Investors in the Social Economy (INAISE) were used to supplement the list of ethical banks, for instance enabling the identification of La Nef, a bank that was not part of the GABV network but exhibited a comparable ethical framework to other institutions.

This listing served as a supporting document for the research process, which involved the selection, interpretation, and structuring of the sample. Notes were additionally recorded in the journal throughout the evolution of the fieldwork, with the objective of monitoring the perception of the sample in relation to degrowth. This document was instrumental in maintaining a structured approach to the fieldwork and transparency, two crucial qualitative research imperatives that require particular care in explorative methodologies.

This resulted in the delineation of the geographical scope of the study while also underscoring the diverse social and environmental imperatives of banking institutions operating within different geopolitical contexts. In countries with lower levels of economic development, poverty alleviation banks and microfinance institutions present notable cases of increased accessibility to financial instruments for those frequently excluded from financial services, such as poorer minorities. However, this is not the focus of the present study, and this was the reason these institutions were not selected. Indeed, the concept of degrowth differs radically in industrialised countries, where the challenge is to limit financial activities to a level that both respects planetary boundaries and yet still drives social fairness. This guided the selection of banks based on their relatedness to degrowth or strong sustainability principles, such as those highlighted previously. In one instance, a banking institution identified itself as an 'ethical bank', yet this claim was not substantiated. Indeed, the bank, namely the Co-Operative Bank UK, was not included in any of the networks of ethical banking (GABV, FEBEA, or INAIS). Furthermore, the bank did not align with the principles of degrowth as presented in the literature, such as the concepts of a sufficient approach to profitability, a limited size, or democratic governance.

In the end, the types of banks that related to the abovementioned features and to the mission of this research, i.e., informing on a model that could tackle the growth imperative of banking, consisted exclusively of GABV members of high-income European countries, with the exception of La Nef (not part of the GABV).

The selected sample of banks was classified according to their origins, namely associationism, environmentalism, and anthroposophy. Most banks were characterised by one of these three founding principles, apart from Charity Bank UK, which was established by the government with the objective of supporting charities and later converted into a private organisation. The origins of these banks are discussed in Chapter 4 to provide an understanding of the founding principles of the selected sample of ethical banks in this study, as will be discussed later in this chapter.

The final sample of 15 ethical banks featured all seven anthroposophically inspired European banks, namely GLS Bank, Triodos Bank, Freie Gemeinschaftsbank, Merkur Cooperative Bank, La Nef, Ekobanken, Cultura Sparebank. Moreover, the sample featured three banks that originated from the associationist movement: Crédit Coopératif, Unity Trust Bank, Banca Etica and Fiare Banca Etica, and featured banks that were related to the 1970s green movement: the Ecology Building Society, the Alternative Bank of Switzerland (ABS) and the Umweltbank. Finally, the sample also included Charity Bank, which was found to be well connected to others through the GABV, albeit being a new member of the network. Furthermore, since the research focused on ethical banks in high-income European countries, banks such as 3bank, Credo Bank, and MagNet Bank (respectively from Serbia, Georgia, and Hungary) were not part of this research despite being featured in the GABV and well connected to the network. Additionally, the language barrier constituted a limiting factor in the case of the Cooperative Bank of Kardista, a financial institution based in Greece. The bank only published key documents in Greek, which proved challenging for typical translation software to process, and the bank did not respond to requests for further information.

Furthermore, the development of the fieldwork led to the investigation of modern banking institutions and, more specifically, Systematically Important Banks (SIBs). Indeed, ethical banks identified themselves as 'alternative', which reflects an alternative to modern principles of banking, contrasting the degrowth principles previously outlined. Although the modern mission of SIBs is opposed to degrowth principles, SIBs were frequently featured in this fieldwork. At the 2020 GABV annual meeting, representatives of SIBs were invited to participate in a discussion of best practices on sustainability. Furthermore, they took part in other workshops held during the annual meeting. Indeed, an initiative between ethical banks and modern banks, namely the Partnership for Carbon Accounting Financials (PCAF), was frequently mentioned in the collected material during the fieldwork. The objective of the initiative is to provide a common framework for calculating the life-cycle assessment of banks and the financial institutions that they fund and invest in. In each country, an ethical bank was identified, and the SIBs were also included in the study to assess them in the context of degrowth and modernity. This was further motivated by the fact that SIBs are often regarded by regulators as the most influential banks in each country, particularly given their considerable asset size, their market position, the level of risk they represent, as well as their interconnectedness to other financial institutions, debtors, and stakeholders. For regulators, the monitoring of SIBs is crucial, given the potential for their activities to result in systemic risks for other financial institutions and even for the economy of the country. In some instances, certain banking institutions are of such substantial scale and interconnectedness that they are regarded as Globally Systemically Important Banks (GSIBs)[24], which means that they pose global risks. The selection of modern banks aimed to understand the modern ideology in banking institutions, especially in relation to sustainable goals. Indeed, their economic success reflects their modern roots, which requires an alignment with the rules in place. While this lead provided important insights into understanding the challenges faced by ethical banking, this part of the fieldwork was subsequently abandoned, as will be discussed below. Indeed, this part turned out to be more complicated than anticipated despite large effort.

In line with the objective of multiplying opportunities, the fieldwork also targeted the PCAF initiative, which was looking to engage with a diverse range of stakeholders, including those from civil society, such as young climate activists. Nevertheless, requests to participate in the process were declined, resulting in the 2020 annual meeting of the GABV representing the sole participant observation in this research. In

[24] In geographical Europe, these banks are considered GSIBs: Deutsche Bank in Germany, BNP Paribas, Groupe Crédit Agricole, Groupe BPCE, and Société Générale in France, ING in Netherland, Santander in Spain, Barclays in the UK, and UBS in Switzerland.

two instances, however, interviews were also accompanied by a visit to the offices of the banks and meetings with staff in an informal setting. As was the case with the GABV meeting, notes were taken during these visits regarding the everyday work, ambience, and organisation of the banks, and these were subsequently used to guide the study.

During the fieldwork, it became apparent that the anthroposophical movement was vital in shaping a holistic challenge of modernity, yet resources on the subject remained scarce and sometimes difficult to link. Indeed, anthroposophy turned out to be a complex ideology to grasp because of its diversity in terms of range and actors and its disseminating nature that spreads beyond the Anthroposophical Society, creating various interpretations. This is why the Anthroposophical Society was contacted, and the subject was further discussed with ethical bankers. While the Anthroposophical Society did not answer the first request, a follow-up request led to being put in contact with two ethical bankers related to the anthroposophy and one of their communications officers who specialises in the history of anthroposophy.

Among the other previously described leads followed during this fieldwork, these types of opportunities were important for exploring and understanding the collected content, making sense of the data, and offering a more in-depth interpretation of the narratives found in ethical banking. As described previously, the explorative methods were designed to highlight and follow leads that could inform on the key features of a degrowth banking institution. This section highlights all the leads that were followed and abandoned, shaping the final sample of this research.

3.3.3 Data Collection

The research dataset consists of two types of data: publicly available content from ethical banks and SIBs and semi-structured interviews conducted with sustainability managers in SIBs, employees of ethical banks and, in one case, a communications officer from an anthroposophical society.

The publicly available content was selected if it provided information on the strategy, goals and ideology of sustainability of ethical banks. Specifically, it meant collecting documents that originated from website sections such as the "about" or "sustainability" sections, as well as webpages containing public statements regarding sustainability and descriptions of governance, for example (see Annex A1 to A4). The content of a webpage was not included in the analysis if it did not provide any different information regarding the sustainability narrative of the institution in question. As many corporations often use slogans that they reiterate throughout their public material with the intention of creating a strong identity, this was a common occurrence.

Moreover, the latest annual and sustainability reports were also collected when available, as well as the articles of association, as they contained valuable information on the sustainability goals of ethical banks. The most recent articles of association available were collected either from the websites of banks or local referencing sites such as 'le Registre du Commerce' in Switzerland or 'the Companies House' in the United Kingdom. In one instance, the articles of association were not accessible, necessitating direct communication with the banking institution, GLS Bank, for the document. The bank provided both the original document and a translated text.

Texts in languages other than French or English (German, Danish, Swedish, Norwegian, Greek) were translated using the software DeepL which provided reliable results except in Norwegian and Greek. In these cases, the Norwegian and Greek banks, respectively the Cultura Sparebank and the Cooperative of Kardista, were contacted directly, but only Cultura Sparebank provided an English translation.

Finally, ethical screening criteria for funding by ethical banks were also collected and analysed. These documents were made publicly available by ethical banks to provide detailed information regarding the way ethical assessments are conducted for loans and investment products offered by the banks themselves or their subsidiaries. These documents followed the same thematic analysis process, with each criterion found being individually collected and assigned a category. In total, 13 articles of association, nine ethical criteria grids, 89 web documents, and 13 annual reports (Triodos, GLS, Banque Alternative Suisse, Ecology Building Society) were processed using thematic analysis, giving 115 documents (see Table 2). Moreover, annual reports spanning the period from 2007 to 2019 were collected at the outset of the fieldwork to construct the codebook to create the categories to interpret the data from the field (see Annex H.1).

In total, ten annual reports were collected from the ethical bank Triodos Bank, the only bank offering annual reports in English for an extended period, and 402 from SIBs. The same process was followed with SIBs by collecting articles of association annual and sustainability reports from 2008 to 2018. The articles of association were manually coded, while a word frequency analysis was run on all reports to highlight the most frequently used words related to sustainability.

Inventory publicly available collected content from ethical banks.	
Type of document collected	**Number**
Articles of association	13
Website pages and public communication	98 (9 ethical criteria grid, 89 web documents)
Annual and sustainability reports	13
Total ethical banks	115
Inventory publicly available collected content from SIBs.	
Articles of association	10

Annual and sustainability reports	402
Total SIBs	**412**
Total fieldwork	**527**

Table 3: Inventory publicly available collected content

3.3.4 The Interview Process and Data Analysis

Following the initial round of interviews, a semi-structured approach was employed to conduct the subsequent interviews. Prior to each interview, comprehensive research was conducted on the approach to sustainability adopted by the bank to gain a deeper understanding of the context of the informant and to identify potential links with the research objectives. Subsequently, between five and 13 principal topics were formulated in the form of questions and forwarded to the informants in advance. This procedure followed the preliminary round of interviews, as subsequent bankers requested questions prior to the interview. A series of follow-up questions were formulated in advance in case they were required. The interview opened with introductory questions, with a specific focus on the career of the informant. This was followed by a series of thematic questions, which were designed to align the interview process with the research goals.

Interviews were conducted either in the offices of the banks or via video conference. They lasted an average of 63 minutes, with the shortest being 30 minutes and the longest 129 minutes. All interviews were recorded, except for two interviews with sustainability officers. One interview was not recorded due to an error in the recording process; subsequent interviews were conducted using dual recording, with two separate devices employed to capture the data. The second interview was not collected due to the challenging circumstances presented by the informant, namely power dynamics and mistrust. It was felt that requesting a recording would have immediately terminated the interview. In both cases, notes were taken during the interview, and a detailed account of the interview was written immediately after the meeting.

All interviews were processed using Word Online, which automatically creates a first rough transcription. After the initial automatic processing, all interviews were corrected manually by listening to the recordings. When interviews were conducted in French, the software *Deepl* was used for translation into English and then further corrected by the researcher for accuracy. As arguments and ideology were the main types of relevant data, all filler words were removed for better clarity. Furthermore, personal information that could be used to identify the individual or bank was either deleted or transformed in a way that kept the meaning of the content as close as possible to the intention of the informant.

These processes were accompanied by the iterative process of continuous coding and making sense of the collected data and were completed with the final thematic analysis of the discourse of the informants. By the end of the interviews, the number of different codes amounted to 319 (see Annex D1 to D3 for the final grouping of ethical screening criteria, for which 104 criteria were collected and assigned 32 codes, grouped into 12 categories). All codes were printed and aligned on multiple tables for further sorting, merging, and grouping. At this point in time, 578 quotes were attributed to 32 different codes, which were further grouped into five main themes that related to the dual degrowth critique of banking: history, trends, competition, motivation, and hierarchy. These themes were designed to find similar patterns while maintaining a level of precision that kept the result relevant to the topic and different from those of the ethical criteria of loans and investments. These were designed to structure the chapters of this manuscript and offer insights to support the mission of the research.

First, the themes of *history* and *trends* relate to how informants respectively described their past and current contexts in ways that allowed them to understand the importance of their roots. This is connected to the research on situating the history of ethical banking in the context of modernity, with the aim of gaining a deeper understanding of the interconnection between the three origins of ethical banking and degrowth.

The theme of *competition* relates to the competitive contexts experienced by banks, such as the management of moral dilemmas when they are connected to the profitability of the bank. Other examples include the influence of the regulatory environment and other attributes, such as competitive factors related to the fieldwork, such as when sustainability or transparency were characterised as such. Furthermore, competition relates to commonly found concepts in degrowth, such as sufficiency. Along with the theme of *motivation*, these themes directly reflected the research on understanding the influences that could create a growth imperative in banking. Indeed, the theme of *motivation* related to what motivated ethical bank employees to work, which was commonly described in terms of relationships, freedom, the ability to learn, or moral values.

The theme of hierarchy is concerned with the way ethical banks define their approaches to relationships. This theme encompasses the relationships that exist between employees, as well as those that are formed with other banking institutions. Additionally, it includes an analysis of the ways in which informants discussed trust or the governance system that they described. This primarily pertained to the second critique of degrowth with respect to democratic participation and governance in terms of how bankers delineated their governance and social structures.

3.3.5 The Challenges of Sustainability in Banking: The Pandemic and a Field of Elites

Two principal challenges were encountered during this fieldwork, both of which are related to access. The first one was related to the pandemic, which happened during the fieldwork and limited the opportunities available to the fieldwork. The pandemic context limited experiences such as the GABV annual meeting, thus, the fieldwork required a different approach to create opportunities. In response to this challenge, it was essential to increase the number of sources of information to provide a comprehensive overview of the subject matter. This was achieved by combining publicly available material with interviews, incorporating a diverse range of banking institutions, encompassing both ethical banks and SIBs, and analysing data from a variety of countries. Furthermore, the research encompassed a multitude of positions within the banking sector.

Furthermore, soliciting assistance constituted a significant aspect of the strategy to increase opportunities. This was achieved by reaching out to the GABV, the Anthroposophical Society, and the Institute for Social Banking. The case of GABV outreach illustrates well the challenges of access in the field. When asked for access to the organisation's network, the organisation responded by requesting extensive documentation on the research to inform the organisation of the aims and methods of the project before offering access to relevant members. After this process, the GABV forwarded the material containing the needs and research interests to all likely to accept or find relevant. Contrasting the banking experience, the Anthroposophical Society did not require any documentation and made a communications officer readily available to answer questions, as well as offering to create links with anthroposophically inspired bankers. Finally, despite the initial agreement with the Institute for Social Banking of help, the organisation failed to fulfil its commitment despite multiple follow-up requests.

To reflect degrowth in banking, the early focus of the fieldwork was on bankers responsible for developing, communicating and reporting on their sustainability strategy. These included officers with a background in sustainability and occasionally the CEO. Enquiries to interview sustainability managers were made through the website of the bank, resulting in contact with the public communication managers who functioned as gatekeepers and decided whether to forward the request. In one case, the personal network of the researcher helped to directly get to the sustainability manager of an ethical bank, but the outreach was not successful. In addition, sustainability managers were directly found on social media platforms, such as LinkedIn Premium, which allowed direct contact, thus bypassing gatekeepers.

The process, which spanned from November 2021 to March 2022, entailed contacting all identified ethical banks and their SIBs counterparts in each country, resulting in a total of 55 requests. Each request was tailored to the specific institution in question, with the objective of increasing the likelihood of a response based on the sustainability policies and strategies in place. A total of 11 responses were received, of which nine were positive, and seven resulted in an interview. Five interviews were conducted because of direct contact with banks; one was obtained via LinkedIn, and another was sourced from the GABV. Four of the interviewees were representatives of SIBs, while three were from ethical banks. In one instance, a sustainability manager from an SIB proposed a follow-up interview a year later, given that the financial institution she represented was still in the early stages of formulating a comprehensive sustainability strategy.

Despite important efforts to convince bankers to participate in this study, a low rate of positive response to interview solicitations was experienced and could be related to at least three factors: the workplace that transitioned into cyberspace, the uncertainty of the pandemic duration and consequences, and finally, that sustainability managers turned out to be elites.

First, what is considered field transforms into cyberspace during a pandemic (Krause et al., 2021). This radical change required an extremely fast adaptation period to surmount the difficulties and seize new opportunities, with potential informants also having to be ready and used to this new setting for interviews. During this period, the fragile banking environment precluded any further observation or participation, such as was initiated in early 2020. However, it facilitated the ease of communication with bankers throughout Europe.

Second, the uncertainty of the economic environment due to the pandemic also contributed to explaining the difficulty of convincing bankers to participate in the study. Indeed, this change in environment led to increased risks for banks. Hence, managing the public profile of banks was even more crucial during this period, given the need for foreseeability of future developments. In this context, any misstep has the potential to be compounded. As a result, in terms of risk management, communicating with researchers outside their usual network could be seen as a high-risk, low-reward endeavour, making it even more difficult for this research to enter a field already known for its difficulty of access.

Finally, the interviews revealed that sustainability managers fit the definition of elites, i.e., an individual who holds a dominant position with a high level of experience and a strong network in the field or who has responsibility in a highly important sector of the organisation – which sustainability has become (Welch, Marschan-Piekkari, Penttinen, & Tahvanainen, 2002). As a result, the interview process was exceptionally complicated in terms of access to data and depth of information. Indeed, it became apparent throughout this fieldwork that a highly centralised group of individuals increasingly manages corporate sustainability in banking. Those who work on sustainability appeared to hold important and strategic positions, either in direct contact with the C-suite or, in other cases, being C-level executives themselves. Therefore, there was a high probability that the individuals targeted by this research corresponded to the definition of elite. This led to multiple challenges during the fieldwork.

The first challenge was gaining access. Indeed, access is often quoted as the main difficulty when collaborating with elites, especially with business elites, who are considered among the most difficult to get connection to. The following entry issues were frequently encountered in the fieldwork involving elites: gatekeeping, mistrust, and time management. Most sustainability managers were not directly accessible and required that all inquiries be made through the public relations department. It was often the case that the requests did not elicit any form of response. When the bank did respond, the requests were most frequently denied by bank employees acting as gatekeepers. In addition, direct contact through online platforms such as LinkedIn Premium yielded no results, except in one case. Yet, in this one case, the sustainability manager was a junior and thus did not fit the criteria of an elite. Finally, creating trust with elites was rendered more difficult due to the impossibility of booking enough time with them. For example, two sustainable development managers only allocated thirty minutes when one hour was requested. In such a short space of time, it was difficult to present the research and its objectives, build trust and gather information beyond superficial, although they did provide key information that was used in this research, as will be discussed in the next chapters.

The alignment of the goals of the researcher with those of the elites is a fundamental aspect of working with elites. Indeed, elites are often those who have been the most successful in the current system, which is based on the logic of favouring self-serving individuals, as previously discussed in the context of individualism in Chapter 2. Consequently, for elites to engage in research, they must be assured that their financial objectives and the reputation of their institution will not be adversely affected (Brandl & Klinger, 2006). However, the research framework of degrowth is incompatible with the objectives of modern banking. Moreover, an important attribute of academia is its disconnection from the market imperatives of profit-driven economic institutions, which further distances the usefulness of the possible results for financial organisations. As a result, interviews with modern banks felt like walking on eggshells. This approach proved effective in most instances, apart from one case where the subject matter proved to be a source of irritation for the informant, specifically in relation to the concept of degrowth. Despite having been sent the questions and the research goals in advance, the participant expressed that he had expected an outcome that could be explicitly implemented into their work. The negative reaction of the informant to the goals of the study, which they felt did not help their institution or work, illustrates the self-serving behaviour found in elites.

The same interview provided further insight into another issue commonly encountered with elites: the use of power play. Indeed, since elites occupy high positions in the hierarchy, they are accustomed to controlling their environment (Harvey, 2010). This complicated the fieldwork and appeared in two ways. First, in the form of wanting to control the content of the manuscript by asking for the possibility to review it before publication. This request also appeared later in the fieldwork in the interviews with non-elites and was related to ensuring that the institution was protected. Second, was when informants tried controlling the interview process. This was apparent in this particular interview when the elite tried explaining how an interview should be conducted.

These challenges led to unpredictability in the production of quality data with modern banks, which in turn led to time pressure. Indeed, gaining access requires work and tenacity as much as luck. In fact, access was down to finding the right person who agreed to introduce the researcher to their network. The context of the pandemic notably complicated forming bonds with informants to allow this type of access, with online meetings not generating the same human connection as in-person meetings. All these complications led to reconsidering the continuation of fieldwork with elites, although saturation had not been reached.

3.3.6 Expanding the Fieldwork

The discussion with sustainability managers revealed the interconnectivity of sustainability within all sectors of their respective banking institutions. One particularly useful insight gained from the interviews was the extent to which sustainability managers collaborated with colleagues in diverse roles within the same bank. This information provided a foundation for the subsequent phase of the investigation. However, while modern sustainability management team primarily engaged with the highest hierarchy, those from ethical banks referred to participative processes that included most positions and hierarchies. This created an opportunity to interview other types of ethical bankers in relation to sustainability outside of the definition of elites, while the scope of SIBs fieldwork remained constrained to the field of elites. Consequently, the second part of the fieldwork encompassed discussions with ethical bank employees involved in the bank strategy.

The second part took place between July 2022 and early January 2023. Over the seven months of the fieldwork, eleven informants were interviewed. All the elite-related problems highlighted earlier were significantly reduced in this set of interviews. Notably, communication officers facilitated access, contrasting with the first fieldwork targeting elites. For instance, in two cases, communication officers organised a group meeting with selected ethical bankers from different departments. Indeed, in this context, the research was seen as supportive of the ethical banking goals by promoting their ethics, which made it easier to gain access. The research also focused on their principle of transparency, which was commonly featured in the ethical banks targeted in the study. Therefore, this feature of ethical banks also supported this part of the fieldwork in terms of access and ease of interviewing. This part of the study did not feel like walking on eggshells, and it was also easier to discuss moral dilemmas than in previous interviews.

Furthermore, time was less of an issue than with sustainability managers. This part of the research featured interviews that were 18 minutes longer on average than the first batch of interviews. Finally, in this last stage, informants ranged from retail, loan, human resources, and communication to back-office staff. This also lessened the access difficulty since it opened the fieldwork to a bigger pool of participants than sustainability managers.

By creating and seizing opportunities, the chosen methodology of theoretical sampling proved crucial to tackling the challenges to complete the fieldwork and reach saturation. Recognising blockages and opening new directions allowed by the research design was necessary to find ways of understanding sustainability from the perspective of degrowth in banking.

3.3.7 Data Anonymisation

The data collected from the interviews had to be processed to protect the informants from sharing any information that might be prejudicial to them. As ethical banking is very small and international, four types of information were anonymised. The first was the names of the informants. Using pseudonyms helps protect the interviewees without creating confusion for the reader (Clark, 2006). Common European names were used instead of the informant's real names (see Annex B1 to B3). Another option was to use the informants' attributes, such as their position, gender or age. This second option was used when a combination of two or more extracts from the same informant could threaten their anonymity, i.e., if several extracts from an informant were used, which, when linked together, could easily identify the informant or the bank. In that case, in the second extract, the informant was described by an attribute, such as 'an ethical bank loan officer'. Secondly, the names of the banks were also concealed. When a bank was mentioned, instead of names, a defining feature was mentioned, such as 'an anthroposophically inspired bank', 'an ethical bank', 'SIB', 'a cooperative bank', etc.

The third anonymised attribute was the country. European countries currently only host one to two ethical banks, which means that knowing the country can identify the ethical bank. For instance, an extract quoting 'an ethical bank from Sweden' would directly be linked with Ekobanken, which is the only GABV member found to operate as a bank in that country.

The fourth type of information consisted of specific details, such as the names of products found in extracts, which could link the information to the bank. Any information that could identify the bank or the informant and that did not contribute to significant insight was removed while recognising that complete anonymity is never achievable in qualitative research (Saunders et al., 2015).

3.4 Final Sample and Demographic Characteristics

3.4.1 The Sample of Banks

Table 3 presents the final sample, comprising 15 ethical banks and 14 GSIBs (see Annex A1). Except for La Nef, all ethical banks were members of the Global Alliance for Banking on Values (GABV). Banca Etica, GLS Bank, Alternative Bank of Switzerland, Triodos, and Merkur Andelskasse were among the founding members of the network in 2009. Two banks with an anthroposophical foundation subsequently became members of the GABV network: the Freie Gemeinschaftsbank and Ekobanken. La Nef, which was originally inspired by anthroposophy, did not join the network. The most recent addition to the GABV was Unity Trust Bank in 2023. Of the 15 banks, nine are either cooperative or credit unions, while six are limited liability companies (LLCs). It should be noted that Unity Trust Bank, which was initially created as part of a larger cooperative, has since undergone a change in ownership and is, therefore, considered an LLC. The ethical banks in the sample can be grouped according to their origin as follows: four are associationist, seven are anthroposophical in inspiration, three have their roots in environmentalism, and one is the result of a public initiative. The associationist banks were officially established between 1893 and 2005, and they represent the widest chronological range of ethical banks in the sample, including the Crédit Coopératif and Fiare Banca Etica. The anthroposophical banks were established between 1974 and 1997, while the environmentalist banks were created between 1981 and 1997. Charity Bank, the sole bank from a public initiative, was established in 2002.

Associationism	Origin	Legal structure	Mission statement	Specificity	Joined the GABV
Crédit Coopératif	1893, FR	Coop	'Living in a society where the economy serves people is not just an ideal, it can also be a reality. With Crédit Coopératif, a different kind of banking is possible.' (translated) (Crédit Coopératif, n.d., 1st paragraph)	Oldest ethical bank in the sample, directly inspired by the legacy of Charles Fourier.	2012 (GABV, 2012)

Unity Trust Bank	1984, UK	LLT	'We aim to be the bank of choice for all socially minded organisations in the UK. Through safe, sustainable growth, we support our customers to deliver social, economic or environmental change in their communities while also meeting their commercial needs.' (Unity Trust Bank, n.d.)	The bank launched as an initiative from the Co-operative Bank. When the latter suffered severe reputational problems, Unity Trust Bank bought back their shares and became more independent.	2023 (GABV, 2023)
Banca Etica	1999, IT	Coop	'Together we work to put finance at the service of people, to build a just and inclusive society. We have always chosen to direct financial flows towards the real economy with a positive impact, while we exclude from our financing weapons, fossil fuels, intensive farming, gambling and all activities that we believe are harmful to people and the planet. ' (translated) (Banca Etica, n.d., 1st paragraph)	Fiare Banca Etica and Banca Etica share the same identity but work in different countries.	Founding member, 2009 (GABV, 2024)
Fiare Banca Etica	2005, ES	SA	'Ordinary people who believe that the social value of money should be the true value of money, people with ethical principles that we are not willing to give up. Principles such as social justice, planetary sustainability, cooperativism, transparency or peace' (translated) (Fiare Banca Etica, n.d., 1st paragraph)	The bank was originally named Fiare but was bought in 2005 by Banca Etica in Italy.	Founding member, 2009 (ibid.)
Total	**1893-2005**				
Environmentalism	**Origin**	**Legal structure**	**Mission statement**	**Specificity**	**Joined the GABV**
Ecology Building Society	1981, UK	CU	'We're building a greener society. When you save with us, you know your money is being used to help build a more sustainable future. We're a building society dedicated to improving the environment by supporting and promoting ecological building practices and sustainable communities.' (Ecology Building Society, n.d., 1st paragraph)	Originates from Green Party members in the UK. In addition, being a Building Society, the EBS can only offer services related to housing.	2013 (GABV, 2013)
Banque Alternative Suisse	1991, CH	LLT	'At Alternative Bank Switzerland, we are committed to our business activities to the common good, people and nature and the sustainable quality of life for present and future generations. We offer banking services for customers who and customers for whom social and ecological development is important to them. We see our actions as a solid alternative and solid alternative to the economic logic of short-term profit.' (Alternative Bank of Switzerland, n.d.-b, 1st paragraph)	Self-described as being based on the 'spark' of the 1968 movement. The ABS is the only bank with full remuneration transparency and states that it implements the principles of sociocracy. In 2024, the ABS did not have a CEO, but rather a board of directors consisting of 4 people.	Founding member, 2009
Umweltbank	1997, DE	LLT	'The UmweltBank combines finance with ecological and social responsibility. In over 25 years, we have financed around 25,000 environmental projects, from wooden houses to solar parks. No other bank makes your money as environmentally friendly as ours. ' (UmweltBank, n.d.-b, 1st paragraph)	The Umweltbank is the only ethical bank in the sample to be publicly traded at the time of the study. The bank was created based on the inspiration of Ökobank, a bank originating from left-	2018 (Umweltbank, 2024)

				wing 1968 inspired political activists.	
Total	**1981-1997**				
Anthroposophy	**Origin**	**Legal structure**	**Mission statement**	**Specificity**	**Joined the GABV**
GLS Bank	1974, GE	Coop	'The GLS Bank is the first sustainable bank in Germany and was founded in 1974. At GLS bank, your money is invested in social and ecological projects. With a bank account at GLS, your money drives the change you want!' (GLS Bank, n.d., Section 'About GLS Bank')	The GLS Bank was the first anthroposophical bank to be created and played an active role in the creation of the following anthroposophical initiatives.	Founding member, 2009
Triodos Bank	1980, NL	LLT	'Since its founding in 1980, Triodos Bank has been investing in initiatives that have a positive impact on the world around us. In this way we finance better care for vulnerable elderly people and children. We also contribute to reducing food waste and the production of cleaner energy. And we support art that inspires and builds bridges. ' (translated) (Triodos Bank, n.d., 2nd paragraph)	Triodos Bank is the biggest ethical banks in the sample, and the only that has branches internationally.	Founding member, 2009
Freie Gemeinschaftsbank	1984, CH	Coop	'We see our central task as mediating between people who provide money and people who need money to achieve their goals. Money should serve human development. Any speculation on the stock exchange or financial markets is excluded by our statutes.' (Freie Gemeinschaftsbank, n.d., Unsere Grundsätze und Quellen, 2nd paragraph)	The Freie Gemeinschaftsbank is perhaps the most connected bank to the anthroposophical society, since it is in a nearby city to the Goetheanum, the headquarters of the society. Its headquarters is owned by the Edith Maryon foundation, a well-known initiative of anthroposophists.	2016 (Freie Gemeinschaftsbank, 2017)
Merkur Cooperative Bank	1985, DK	Coop	'Merkur Cooperative Bank has been a forerunner of sustainable development and social responsibility in the Danish banking sector since 1982. Which we still intend to be. At Merkur you get the service and products you normally would expect from a bank. But you also get a lot more.' (translated) (Mekur Cooperative Bank, n.d., 1st paragraph)	The bank directly refers to the anthroposophy in its status: 'The cooperative bank acts on impulses from anthroposophy and will work to realize social threefolding.	Founding member, 2009
La Nef	1988, FR	Coop	'Since 1988, our banking cooperative has been bringing professionals and individuals together to build a fairer, more sustainable society. We defend sound, transparent finance. We choose to finance only projects that add ecological, social or cultural value.' (translated) (La Nef, n.d., 1st paragraph)	La Nef suffered reputational and regulatory problems in relation to its linked with the anthroposophy. It is currently working hard to try to dissociate its image from the anthroposophy.	Not a member

Ekobanken	1996, SE	Coop	'Ekobanken is a transparent and sustainable bank and with us you know what your money is doing when it is in the bank. But we are more than a bank. We are a member bank, and our mission is to work together with the help of money for a sustainable future. Can money change the world? We are convinced of that.'[25]	Similarly to Cultura Sparebank, the bank does not state its anthroposophical inspiration. However, it originates from Järna, which is the major place for anthroposophical initiatives in Sweden. The bank was also identified by Weber.	2015 (GABV, 2010)
Cultura Sparebank	1997, NO	CU	'Cultura Bank is the only Norwegian bank telling depositors exactly where their money is invested. The purpose of each loan is evaluated based on social and environmental criteria.' (Cultura Bank, n.d., 1st paragraph)	The bank does not describe publicly its anthroposophical origin. However, Weber (2012) highlights its roots, which are linked with Sophus Clausen and Leif Holbæk-Hanssen, two anthroposophists.	2010 (Cultura Bank, n.d.)
Total	**1974-1997**				
Public	**Creation**	**Legal structure**	**Mission statement**	**Specificity**	**Joined the GABV**
Charity Bank	2002, UK	LLT	'Charity Bank was always going to be different. What drives us isn't profits, but a shared idea about the world we want to live in. We were founded to support charities with loans that they couldn't find elsewhere and to show people how their savings could be invested ethically and in ways that would make them happy.' (Charity Bank, n.d., 1st paragraph)	Charity Bank UK is the only bank which origins does not qualify within the three dimension - it was also the most different bank in the sample, specifically in terms of transparency and participation.	2021 (GABV, 2021b)

Table 4: List and firmographics of ethical banks constituting the sample of this study. Coop stands for cooperative bank. LLT stands for limited liability company. CU stands for Credit union.

3.4.2 The Sample of Informants

Twenty-five interviews were conducted with 23 individuals (see Annex B1 to B3). Out of the 23, nine informants were directly involved in the sustainability strategy of their bank, including four CEOs and five sustainability managers. Four informants related to modern banking, and 19 from ethical banks. Another informant was connected to the anthroposophical society.

[25] Based on email exchanges with Ekobanken.

The interviewees came from 13 different banks: four SIBs and nine ethical banks. On average, the interviews lasted 66 minutes. Four follow-up interviews were conducted to gain further insight and information. These included an interview with a sustainability manager in an SIB who, in the initial interview, was in the process of developing a sustainability strategy and offered to be interviewed again once the strategy had been finalised. Similarly, this was the case with a CEO who was initially interviewed online and then met in person during a subsequent visit. Furthermore, a communications officer who participated in a group discussion as part of this study proposed a follow-up discussion to address the visual identity of the bank in relation to anthroposophy. Finally, a communications officer from the anthroposophical society was interviewed on two occasions. The first interview took place at the start of the investigation into anthroposophical banking, while the second was conducted towards the end of the study to allow for a more informed discussion.

Given the reservations expressed by certain informants and the restricted time limit allotted by bankers for interviews, the interviews were conducted in a concise manner, with demographic data collected throughout the interview rather than in a comprehensive format. In some cases, information found online on the interviewees was used to provide information lacking, such as the time each interviewee had spent in their current institution, their previous experience and their education. In the absence of available data, the information was noted as such, apart from the age of the participants, which was estimated and rounded to a 5-year age interval. Based on these estimates, the mean age for sustainability managers and CEOs was 45, while the average was 39 for the rest of the interviewees. Most had a university degree or equivalent (90%), excluding three informants for which it was not possible to find the academic background. More than half of the interviewees came from Switzerland, the rest from Germany (17%), the United Kingdom (8%), France (8%), Denmark (8%), and the Netherlands (4%).

Since the study targeted high-level individuals in banking, it was surprising to find that almost two-thirds of respondents were female. Indeed, in high-level positions, males are over-represented: only 24% of leadership positions in finance were occupied by females in 2021 and are projected to grow to only 28% by 2030 (Rogish, D'Souza, & Shemluck, 2021). The female representation in this fieldwork may correlate with a potential equal share of leadership roles in ethical banks, but no data was found specifically on this issue in ethical banks. Only anecdotal examples were found, such as Ekobanken, which stated that it had an equal representation of men and women in management positions, or Triodos Bank, which had a 56:44% male-to-female ratio in management positions (GABV, 2022; Triodos Bank, 2022a). However, an over-representation of women in a qualitative sample is common in organisational research, which can reflect a gender-based difference in motivation to participate in this study (Ashmos Plowman & Smith, 2011). This implies that only those who are most motivated participated in this study, offering a specific picture of ethical banking. This is why diverse sources of public documents were also collected, and a historical perspective was further explored.

Although this fieldwork featured most positions in ethical banking, the research did not seek to be representative. The research focused on offering a comprehensive understanding of the various narratives of sustainability in ethical banks. This reflects the perspective that no qualitative study 'can be representative in a statistical sense' (Clark et al., 2021, p. 1576). Indeed, this study aimed to offer observations and new perspectives on the dual degrowth critique of banking rather than be predictive in terms of results.

3.4.3 Literature Sample

Based on the sample of ethical banks, a literature review on ethical banking was conducted. This literature review shaped the definition of ethical banking in the previous chapter and was further used to address the research question related to the history of ethical banks. In fact, the next chapter discusses the history of ethical banking from the perspective of modernity, especially how the origins of ethical banking reflect an aim to challenge the two main values of modernity, productivism and individualism.

The search for this literature made use of the platforms Web of Science, Cairn, Sage, and Emerald. Five keywords were searched for collecting the literature: 'Ethical Banks', 'Values Based Bank', 'Global Alliance for Banking on Values', 'European Federation of Ethical and Alternative Banks and Financiers', and 'Sustainable Bank'. Then, the names of banks that were part of the sample were used as additional keywords, such as "Triodos", "Alternative Bank Switzerland", 'La Nef' or "GLS Bank".

Furthermore, ethical institutions offering distinct types of financial products or normative ethics, such as Islamic banking and micro-credit banks, were excluded, as they primarily focus on alleviating social issues rather than environmental issues. Literature on social and cooperative banks (which do not necessarily focus on sustainability) was collected if they related to the historical origin of ethical banking. Language was also a selection criterion based on the linguistic expertise of the researcher, i.e. studies were selected if they were written in English and/or French. Time or format restrictions were not imposed due to the emerging nature of the field.

Each paper was individually assessed to highlight the main recurring and opposite themes of research. Fields of research, types of research questions, results, and criteria to define ethical banks were compiled and categorised. To define what ethical banking is in the academic literature, criteria with similar meanings were clustered together into common themes. In addition, the literature discussing the history of ethical banking was further classified and used to inform the search for further historical literature that discussed cooperative banking, the history of green banking and anthroposophy from the perspective of entrepreneurship.

In total, 52 papers were found in direct relation to ethical banking, of which 35 were eventually selected by the author. The dataset was composed of 27 journal papers, seven books or book chapters, and one doctoral dissertation.

3.5 Mixing Methods Towards Degrowth Banking

This chapter presents the principal research design selected for this study, with the objective of providing insight into the fundamental principles that characterise degrowth banking models. The decision to adopt an inductive approach was driven by the absence of existing literature about degrowth banking in terms of norms, culture, and governance systems, which provided a rationale for this methodology. The objective was to establish the initial theoretical foundations to inform the conceptualisation of a bank in line with degrowth principles.

This chapter demonstrated the value of the iterative methodology employed in addressing the challenges encountered throughout the course of the study. The iterative process enabled the identification of obstacles and facilitated the exploration of alternative courses of action to overcome them. This approach enabled the fieldwork to be pursued in the face of significant challenges while simultaneously collecting valuable information. Furthermore, the emphasis on the diversity of forms of knowledge, samples and methodological approaches allowed for multiple perspectives to be considered, thereby enhancing the comprehensiveness of the fieldwork and the robustness of the results. In subsequent chapters, the findings emerging from this methodological framework will be explored, with a view to highlighting the different narratives that are challenging modernity and the mechanisms that support these narratives.

4 The Significance of the Origins of Ethical Banking considering Degrowth Scenarios

Introduction

In high-income European countries, ethical banking has three main origins: associationism, environmentalism and anthroposophy. This chapter explores these origins of European ethical banks from the perspective of the degrowth critiques of banking. This chapter offers a novel approach to the history of ethical banking, interpreted from the perspective of modernity. More specifically, this chapter shows how the unique history of European ethical banks creates a combined narrative that comprehensively challenges modernity.

First, this chapter examines the oldest modern historical inspiration for ethical banking in Europe, the associationist movement. Associationism is known to be responsible for the creation of cooperative banks and credit unions. The evolution of this movement, based on its goals and missions, is considered from the perspective of modernity to understand what types of modern principles associationism challenges and how they relate to ethical banking. Specifically, this section discusses how associationism challenges the modern value of individualism based on pooling resources to empower those with less. In fact, associationism created structures of shared ownership that required democratic governance to manage pooled resources. Such structures and principles are now commonly found in the ethical banking literature. Therefore, the original motivations of associationism are assessed to better interpret the current narrative of ethical banking.

Secondly, the chapter examines the environmental and anthroposophical movements together that motivated the creation of ethical banks. These interrelated movements are discussed from the perspective of their initial motivations for their emergence and how these motivations stem from an intention to challenge modernity. This chapter outlines how ethical banks were a response to the lack of modern tools and instruments to understand organisations focused on environmental and spiritual principles. As a result, ethical banks have emerged to find ways to develop their alternatives by appropriating liberal tools to support the growth of their movements within the modern context.

Finally, the chapter concludes with an overview of the modern challenges faced by ethical banks to better understand the challenges maintaining their historical motivations. Indeed, the interpretation of the history of ethical banking is used to understand how the current conditions of liberal markets may affect the ideological development of ethical banks. This interpretation of modern influences will provide key insights for understanding the collected content in the following chapters.

Therefore, this chapter offers a novel interpretation of the historical influences on ethical banking from the perspective of modern ideology. This interpretation will be situated in the context of the current discourse on ethical banking to show how these historical movements came to create the ideological model of today's ethical banks.

4.1 The Development of the Associationism Movement and the Cooperative Banking Movement at the Origin of Ethical Banking

4.1.1 The Associationism Movement: A Response to the Conditions of Workers in the Nineteenth-century

The associationist movement was born out of the social critique of the nineteenth century. This critique focused on revisiting the modern understanding of human beings as individuals capable of being independent from each other. Associationism, along with Marxism, communism and anarchism, supported the uprisings of workers of the 19^{th} and 20^{th} centuries. These revolutions led to greater protection for workers, shorter working hours, higher wages and the creation of trade unions. The social critique is fundamental to understanding the current modern working conditions, but specifically, to understand the legacy of associationism in the context of the current ethical banking movement.

This social critique is, in fact, related to the consequences of the modern and liberal revolution of the sixteenth century, which, as we have seen, sought to challenge the historical and traditional structures of hierarchy. In early industrial capitalism, the work opportunities of the cities were accompanied by disastrous living conditions. Workers experienced exceptionally low wages, health hazards, very long hours and little rest. Moreover, they had no power to change the existing structure, being trapped in their position. In fact, Marx argued that the result of factory production was a self-reinforcing phenomenon towards the production of more power for the owners and less for the workers since they owned neither the means of production nor the product. Thus, in the context of modernity, they became the instrument of their own alienation. For most, in the early industrial context, the workplace became a situation of unfreedom, subjugation and alienation (Swaton & De Poorter, 2015).

The fathers of the associationist movement, such as Raiffeisen, Owen or Fourier, challenged these mechanisms by offering ways for workers to reclaim the means of production. In fact, given the prevailing values of individualism and the lack of individual resources among workers, workers were forced to participate in their subjugation. For this reason, associationists focused on providing workers with the conditions for fair access to markets, which they sought to create through the development of mutualist structures. Associationism takes its name from this key proposition of associating and linking working people together to pool their resources and share risks. As a result, workers increased their chances of competing with capitalists who already owned substantial amounts of resources.

Although the associationist approach never became as popular and widespread as the liberal approach, associationism had a specific importance in the economic sector, particularly in the banking sector. Indeed, by creating philosophical and practical alternatives to the liberal framework, the associationist movement deeply inspired and structured the cooperative banking movement, which is directly related to the ethical banking movement today (Weber, 2012).

4.1.2 Origins and Development of Cooperative Banking

The banking origins of the associationist movement lie in Rhineland in Germany, where Frederic-Guillaume Raiffeisen, a German *Burgermeister*, witnessed how farmers were severely indebted. Lacking capital, they were struggling to keep their livestock. Forced to ask bankers for small and risky loans, farmers were faced with two choices: either take out loans at very high interest rate or rent out their livestock with no prospect of improving their situation (Naszályi, 2010). As a result, farmers were trapped in a poverty cycle of debt and lack of productive opportunities.

In this context, farmers were individually stranded in their own circumstances. They did not have the capital to access productive debt on their own, and their incomes were not high enough to be a viable investment for financiers. Based on this situation, Frederic-Guillaume Raiffeisen came to argue for farmers to associate and share risks so that they could significantly improve their living conditions. In effect, this meant diluting the risks among them and giving them access to a credit line from a banker at a reasonable rate of interest. This strategy was designed to help farmers break out of their individual positions with the mutual help and support of other individually stuck farmers. So, in 1849, in the village of Flammersfeld, he helped farmers set up their own company to obtain a collective loan, which he backed with his own money. By pooling their loan applications, the farmers were able to significantly reduce the risk for the lenders and, as a result, secure a loan at a lower interest rate.

However, Raiffeisen did not lend or give his money on a charitable basis. He focused on the idea of farmers creating their own means of subsistence through hard work, which was to become a key feature of the movement, crucial to offering individual autonomy. In fact, any form of charity would represent the same pattern already observed in the capitalist-worker relationship that further contributes to the subjugation of workers. With charity, the workers would be dependent on the gifts of the capitalists to improve their conditions (Laville, 2024). On the contrary, the approach of Raiffeisen would provide the farmers with the means of creating their own conditions of autonomy but would require hard work in return.

The early experiments of Raiffeisen were a response to the inextricable conditions in which farmers were forced to live, as a way of breaking the cycle of poverty and empowering them to create their own conditions. In his proposals, Raiffeisen offered the collective as a solution to give farmers the means to take control of their well-being. In fact, this was an early example of a credit union, which formed the basis of cooperative banks, a popular form of banking today.

4.1.3 Pioneers of Associationism: Robert Owen and Charles Fourier

Raiffeisen's initiative in Germany was remarkably like that of the associationist movements in France and the United Kingdom, which were developing at the same time. By creating the conditions for farmers to associate and co-own a commercial structure, the proposal put forth by Raiffeisen responded to the problem of rural poverty in the same way that the fathers of British and French associationism, Robert Owen and Charles Fourier, respectively, responded to the problem of urban poverty.

Robert Owen, the director of a factory called New Lanark, observed the dramatic living conditions of his workers and decided to find solutions to help them. He first implemented various initiatives in his organisation, such as offering higher wages or reducing working hours, while being known as an advocate of the eight-hour day. He also proposed and assessed the idea of small shops for workers, offering high-quality products at lower prices by reducing margins. He encapsulated his ideas in concepts of what a self-sufficient society would look like based on the principles he had developed. For example, he envisioned self-sustaining social systems consisting of a small community of a thousand people based on the principles of mutualisation, such as the mutualisation of children's education and food production. These were designed for individuals to improve their living conditions in a way that was mutually supported by a community of people.

During the same period, Charles Fourier, the son of an entrepreneur whose fortune allowed him to pursue his passion for philosophy worked in various positions and travelled throughout Europe, where he observed the difficult working conditions of the time. Like Raiffeisen and Owen, he argued for cooperation between workers as the key to social justice and greater productivity, with workers being rewarded in direct proportion to their efforts. His proposal was opposed to the capitalist system of the time, which exploited workers and dispossessed them of their means of production. Mirroring the small, self-sufficient community of Owen, Fourier argued for the Phalanstère, a cooperative community that shared labour and resources and proposed to give individuals freedom to pursue their passion by supporting each other. Both emphasise the idea of creating a haven, autonomous from the main system, containing all that is needed to sustain a community of people.

The ideas of Raiffeisen, Owen and Fourier differed in terms of the population targeted and the type of instruments used, but they were related in that they solved the social questions of the nineteenth century: through association. Associationism argued that working people could create their own living conditions through work and community, sharing both resources and risks. By being collectively organised, associationists argued that each worker could be individually empowered.

4.1.4 The Associationist Critique of Modern Capitalism

In the economic context, the principle of independence has been translated into individual ownership of resources. This means that when individuals own a resource, i.e. a stock of goods or money needed to conduct productive tasks, they exclude others from it, with private property being the legal tool to protect against attempts of others to claim it. Since such resources are primary to providing individuals with the means to live, everyone is constantly fighting to get hold of them. Liberals argued that this competition was precisely what would create a path out of poverty for most people, as it would push individuals to become more productive in order to acquire more wealth (Windegger & Spash, 2023). Based on trickle-down economics, this increase in wealth would then contribute to giving everyone more opportunity to access it (ibid). The argument behind this perspective is that those who acquire wealth will create jobs and opportunities for workers and society. Liberals, therefore, answered the question of poverty from the perspective of an ever-increasing number of resources through economic development.

Associationists, however, criticised this system for leaving workers in disproportionately poor conditions. Indeed, they followed the Marxian analysis of the alienation of workers, which shows that economic development based on competitive individualism isolates individuals into inescapable conditions (Cohen, 1983). This is well illustrated by the extension of the Marxian critique by Cohen, who argues that while it is possible for workers to gain resources, the likelihood of this happening is so low that the context cannot be described as one of freedom of access to economic opportunity. As described in Chapter 2, this likelihood increased dramatically in the 20th century with the creation of the middle class, but in the nineteenth century, this was not the case. The individualist paradigm meant that workers were subjected to a form of modern slavery, working to survive without access to the material means to flourish. For proponents of the associationist perspective, the issue was not the nature of work itself but rather the modern concept of independence, which they perceived as leaving workers significantly disempowered.

Based on this observation, instead of focusing on creating the conditions for competitive markets to grow, associationism concentrated on developing the ability of workers to access resources. Since individual workers had extremely limited resources, Fourier, Owen and Raiffeisen prepared the ground for the association of workers (or farmers) through economic organisation to liberate themselves. In fact, they promoted new ways of pooling limited resources to compete with the natural accumulation tendency of liberalism, by creating legal structures that allowed them to do so: the so-called cooperatives, mutuals and non-profit organisations. Together, they could pool their savings to buy their own means of production and become entrepreneurs. In this way, private companies could be collectively owned and managed, as was the essence of the proposals of Fourier and Owen, and financial resources could be pooled to form a credit union, as Raiffeisen argued. Associationist proposals are thus directly linked to the critique of inequality in the distribution of resources in capitalist markets fostered by competitive individualism.

In addition, these mutualist principles were connected to the problem of redistribution of profits. In fact, Jean-Louis Laville, one of the successors of the associationist school of thought, argued that 'what is stressed at the organisational level is legal limits on private appropriation of benefits' (Laville, 2010, p. 228). Indeed, associating could directly provide a collective means to access the resources necessary for a means of living, and the fair redistribution of benefits allows these systems to maintain their cooperative principles in the long term by avoiding a concentration of power.

A fundamental specificity of associationism in the context of this research was its entrepreneurial nature, something it shares with anthroposophy, as will be discussed later. According to associationists, mutualist principles and alternative economic organisations would create the conditions for offering high-quality products at lower prices while remaining profitable. In fact, the associationists argue that co-ownership increases motivation and, because the customers are mainly owners, they can reduce margins and, consequently, prices. Therefore, unlike socialism, associationism did not directly contradict capitalism as it reclaimed liberal instruments. Consequently, following associationist principles does not preclude the creation of successful commercial organisations within a capitalist framework. In the United Kingdom during the 1900s, there were over 1,000 cooperatives representing two million members (approximately 5% of the total UK population at the time, although the actual percentage of cooperative members in the population may have been lower given that members could belong to several cooperatives), designed to provide collective protection for workers within a capitalist framework recognising the inherent vulnerability of individuals (Swaton, 2017).

Although capitalism has prevailed, the associationist movement survives to this day, although it has a different logic from that of (neo-)liberalism. In fact, the associationist movement has merged into a broader social and solidarity economy that follows the original principles of the associationist movement, which challenges the modern perspective that created the conditions for the separation of workers from the capital by focusing on autonomy, association, justice and solidarity.

Currently, however, it remains limited to a small part of the economy, providing around 10% of the total number of private sector jobs in high-income European countries (Swaton, 2017). Indeed, the communalistic nature of companies that adhere to the original associationist principles restricts their capacity to capitalise on the capitalist opportunities of scale to the same extent as their liberal counterparts. Firms that follow associationist principles are intrinsically more locally based to promote the conditions of workers, who are also co-owners. As a result, they often have higher costs and less ability to shift revenues towards R&D and economies of scale (ibid.). Therefore, the liberal approach is more competitively relevant in the current economic framework, which has relegated the social and solidary economy (SSE) to a part of the economy.

4.1.5 The Cooperative Banking Movement

In banking, associationism took the form of cooperative banks and credit unions, following the early example of Raiffeisen. Before taking its current form, the cooperative banking movement developed into a European movement in the early 20th century, with cooperative banks established in Germany, France, the UK, Austria, Switzerland and Spain. From the initial cooperative movement, which provided support for workers and farmers, a second movement of cooperative banks emerged, offering support to urban areas for artisans and small entrepreneurs (Milano, 2011). The dual and parallel development of the cooperative banking movement formed the basis of the structure and principles of the ethical banking movement today.

While rural cooperative banks followed the example of Raiffeisen, another cooperative banking movement emerged in the form of urban cooperative banks, following the example of the German lawyer Hermann Schulze Delitzsch (Hardy & Fonteyne, 2011). Like other associationist initiatives, these banks were specifically designed to promote the empowerment of their stakeholders by creating their capacity to 'help themselves', i.e. to conceive mutual banking initiatives that would help them finance their businesses. These banks targeted artisans and small entrepreneurs in the context of competition with larger industrial enterprises. They were known as 'Volksbanken', which translates as 'popular banks', a name still widely used in Germany for cooperative banks.

These urban cooperative banks used associationist principles of mutual support, which evolved into a membership-based structure (ibid.). In other words, artisans and small entrepreneurs became shareholders in the banks, pooling their resources to share risks and gain access to cheaper credit, like the rural initiative of Raiffeisen. This was made possible by one of the social innovations of this movement, which was devising a system of company shares, which they distributed in a way that was accessible to the low- and middle-income populations, with the possibility of paying the share prices in instalments (Milano, 2011). In fact, since the low and middle-income populations had previously been excluded from buying shares due to the high initial capital required to participate, the associationists offered those with less an alternative access to capital gains. This opportunity to participate financially in the capital of banks allowed the populations to access the benefits of associationist banks (ibid.).

Cooperative banks were also interested in establishing rules for the collective management of their shareholders, the members. The aim was to promote democratic principles and to protect the collective framework against individual forms of appropriation and power. Indeed, cooperatives had to be composed of at least 200 shareholders, and the capital that each individual could own was limited to ensure a fair distribution of profits and power (Weber, 2012). Furthermore, regardless of the number of shares held by an individual, all were granted the same voting rights at general meetings (ibid). Finally, early cooperative banks were associated with a form of community that aligned with the interests of the existing structure through conviviality and respect between members (Milano, 2011). If members did not conform to the community in this respect, the banks could exclude them from bank membership. These principles ensured a careful distribution of power within the stakeholders of cooperative banks.

In addition, associationist banking initiatives developed a risk-averse way of operating (Hardy & Fonteyne, 2011). Indeed, to protect the vulnerable section of the population they wanted to empower, they had to manage their risks more consciously. The first strategy they adopted was to limit lending activities to members. By lending only to their members, cooperative banks were able to focus on a population of which they had more information and were, therefore, better able to assess risk. To complement their risk-averse operating system, they had all their loans backed by personal guarantees. This meant that even if members who took out a loan were unsuccessful and their business failed, they were personally liable to repay the loan. In this way, cooperative banks significantly reduced their risk since a business failure would not automatically result in the loss of the money lent. This was all part of a deliberate strategy to maintain a high level of stability within the community by reducing the risk of financing activities.

Finally, the strategy for financing their activities was also based on caution. Specifically, as described above, since the sixteenth century, banks were able to hedge their assets and issue more IOUs in the form of loans than they have in reserve. Since customers only withdraw a small proportion of their savings, most savings are left in the 'vaults' of banks[26] (Graeber, 2012). Therefore, banks could create banknotes to fund loans backed by the savings of their customers and their own reserves. This is a risky strategy, which has proved dangerous in cases of bank runs. A bank run describes a simultaneous loss of confidence by customers in their institution, leading customers to withdraw money at the same time, only to find that the reserves of the bank are not sufficient to honour their IOUs. Such a loss of confidence results from the fear that the bank will become insolvent and that customers will lose their assets. The key to managing risk and maintaining confidence in banking is, therefore, to find the right balance between the amount of credit granted and the amount of withdrawals by customers. Rather than increasing the level of savings from their customers, banking cooperatives have focused on the safest way to fund loans: increasing reserves with profit rather than distributing them to shareholders. Only if necessary, would they focus on increasing the savings of non-members and pay a low interest rate to expand their lending activities (Milano, 2011). Their approach to banking was, therefore, motivated by the idea that banks had an important responsibility to their members. Indeed, not jeopardising the savings of their members was essential to promoting their social mission of empowering those who had less.

Following the phenomenon of rural gentrification, which began in the 20th century and linked urban and rural areas, the cooperative banking movement has merged and no longer distinguishes between urban and rural banking. The principles of Raiffeisen and Schulze Delitzsch together form the framework of cooperative banking, which was developed to pool the resources of a community to share risks and rewards

[26] Nowadays, most financial assets are stored in virtual vaults. However, historically, most of the monetary wealth was stored in vaults alongside valuable items.

and to contribute to the co-development of the community. Such a community was inherently local, with a strong emphasis on a more cautious approach to risk and profit. Today, by challenging the individual perspective of modern ideology, an economic organisation based on the principles of association, such as cooperatives and credit unions, offers an alternative in terms of the distribution of capital and profits, which are more evenly distributed than in traditional corporate forms such as limited liability companies (LLCs).

4.1.6 A Narrow Challenging of Modernity

While the main mission of associationism was to reduce structural poverty, it failed to integrate the protection of natural resources into its mission despite clear affinities. This movement challenged the individual component of modern ideology, but productivism still retained a central place. In fact, it nuanced productivism by integrating a broader conception of productive activities at the centre of alternative economic institutions through the integration of solidary relationships. However, the cement of relations in associationism is still related to work and productivism, albeit a collective form of productivity. This means that instead of focusing on the individual as a productive force, it focuses on the collective as a productive force. Because it focuses on human activity as a productive force, including human interrelationship, it does not address protecting the relationship between human beings and nature and how this link should be maintained.

As a result, it only partially challenges the modernist attribute of productivism, although profitability is limited by the cautious and local-based nature of its activities. In fact, this limit on profitability results from an emphasis on the equal distribution of power rather than a different conception of profitability and how it relates to the role of economic organisations in terms of societal goals. Economic organisations that continue to follow the principles of association provide equal opportunities for all to participate in the productive factor, similar to liberal and modern enterprises, but they do so collectively and based on mutual principles. Changes in productivity are a matter of degree rather than a matter of changing priorities, in contrast to degrowth principles that call for companies to focus on social and environmental goals first, even at the expense of productivity.

Today, the International Cooperative Association (ICA), the best-known association in the legacy of the associationist movement, claims that its model is inherently sustainable. This argument is based on examples of ICA member companies that follow sustainable development principles and environmental goals. However, the ICA does not elaborate on the values and organisational forms it offers that are specifically suited to sustainable principles. But, based on the introduction in Chapter 2, an economic model rooted in the associationist principle is not sufficient to answer the shortcomings of sustainable development because it only fully challenges one of the two attributes of modern ideology.

Finally, the central focus on production in cooperatives and mutualist companies makes them vulnerable to banalisation. Banalisation is the problem of companies losing their fundamental ethics to fully develop economically according to neo-liberal principles. In fact, since the associationist alternatives strike a balance between productive and social objectives, these organisations are susceptible to tipping this balance towards the liberal framework. Banalised enterprises are those that retain the name and official structure of cooperatives but no longer define their central objective as sharing profits equally among stakeholders while pooling resources to strengthen communities. This means that they maintain the illusion of their identity without the original substance in terms of goals and organisational structure (Milano, 2011). For example, the banking structure of Raiffeisen has become a multinational company that has grown far beyond the scope of pooling the resources of farmers to gain access to low-interest credit lines, leading some voices to accuse Raiffeisen of banalisation (Morel, 2011).

4.1.7 The Link with Ethical Banking

The associationist movement could have been a driving force for the environmental movement but remained primarily concerned with social and economic issues. This was not the case for the ethical banking movement, which emerged much later from the fertile ground created by associationism.

Indeed, a direct link between associationism and ethical banking is well documented (Milano, 2011). This relationship is illustrated by two banks from the original associationist movement that are now active members of ethical banking networks. Each represents one of the fathers of associationism, Crédit Coopératif and Unity Trust Bank, directly associated with Fourier and Owen, respectively. The Crédit

Coopératif in France was, in fact, founded to support the cooperatives and initiatives created by Fourier and his successors in the nineteenth century, while the Unity Trust Bank is the successor to the Rochdale Society of Equitable Pioneers in the UK, an initiative of individuals inspired by Owen (Espagne, 2013). A more recent leading example of European ethical banks reflecting associationist roots is the Alternative Bank of Switzerland (ABS). The ABS emerged from politically motivated individuals interested in worker self-management (König & Wespe, 2015). This socialist-inspired network launched the idea of creating a self-governed financial institution independent of the 'big banks', which eventually led to the creation of the ABS.

A tie between associationism and ethical banks is also suggested by the significant overlap between ethical banking networks and banks that follow associationist principles. For example, the networks of the Institute for Social Banking (ISB) and the International Association of Investors in the Social Economy (INAISE) overlap with many banks of GABV or FEBEA - the two large ethical banking networks - such as Triodos Bank, Ecology Building Society, Ekobanken, ABS and others[27]. These two organisations, in fact, refer to social banking, which, as described above, includes ethical banks as well as cooperatives and other types of institutions that stem directly from the history of associationist banks.

While associationist ethical banks such as Crédit Coopératif, founded in 1893, are among the oldest ethical banks in Europe, they did not start the current ethical banking movement. Rather, they inspired the first ethical banks in terms of instruments and principles. Today, most ethical banks are structured as cooperatives, such as Banca Etica, Merkur, La Nef, GLS Bank, Ekobanken or Freie Gemeinschaftsbank. Several others also use a legal structure from the associationist movement, such as the credit union structure, with examples Cultura Sparebank or the Ecology Building Society[28]. Interestingly, the Unity Trust Bank is a limited company rather than a cooperative or credit union, although it is, in fact, a direct descendant of the associationist movement. However, the bank was originally owned by a larger co-

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[27] GLS Bank (n.d.), Nachhaltig vernetzt, https://www.gls.de/privatkunden/ueber-die-gls-bank/gls-netzwerk/

[28] Building Societies are a type of Credit Union in the UK, which are focused solely on providing mortgages and property related loans.

operative organisation (the Co-Operative Bank UK). This type of structure is directly related to the early example of associationist banks in the nineteenth century, such as the original Co-operative Wholesale Society Bank, which was structured as an LLC owned by the Co-operative Wholesale Society. Based on this form of organisation, sub-subsidiaries of co-operatives are still co-owned and collectively managed, but the management style is operated through a larger entity. These examples outline how the legal structure created by associationism is one of the most common features that ethical banks have reappropriated.

The affinity between associationism and the ethical banking movement is also evident in the founding process of early examples of ethical banks, such as Triodos Bank (Käufer, 2011). The first legal entity in the history of Triodos is an arrangement called the Triodos Foundation, established in 1971. The purpose of this foundation was to collectively pool financial resources to fund anthroposophical initiatives based on the interest earned from the deposit[29]. The early founders, who came from more middle-class backgrounds, described how the mutualisation of funds allowed them to use their financial resources to help shape society, a function they argued was normally reserved for the rich - a similar observation to how early associationists described their context (ibid.). Indeed, when their activities later became officialised as a banking entity, they continued to create products based on mutualist principles. For example, they created a 'network guarantee' in which a pool of people inspired by anthroposophy would back certain initiatives to secure a loan, similar to how Raiffeisen started the cooperative banking movement in the Rhineland. Many ethical banks began with some sort of mutual structure to pool resources to support environmental initiatives or to support the development of the bank. The ABS was first established as an association in 1987 to gather the support needed and become a bank before being launched in 1990 (König & Wespe, 2015). GLS Bank started as a foundation called Gemeinnützige Treuhandstelle e.V. in 1967, seven years before it was officially established as a bank (Schneeweiss, 2012). La Nef was an association ten years before it became a bank, with the aim of 'collectively fulfilling individual needs' (Chauvin et al., 2011, p. 89). Merkur Andelskasse was founded in 1982 as an association by a small group of people with the idea of pooling their savings to finance projects they were involved in (Pehrson, 2022). The similar beginnings of ethical

[29] The ING Bank.

banks show how associationism paved the way for ethical banking, inspired by the pooling of resources to support projects that were important to the initiators. Associationists then, created tools and structures that support the activities of ethical banks today.

However, not all ethical banks have associationist-inspired structures or principles. Charity Bank and Umweltbank, two ethical banks, are structured as LLCs, do not describe any kind of co-ownership structure or governance, and do not show beginnings related to pooling resources to jointly fund projects that a group of people care about. In fact, Charity Bank was an initiative of the UK government to support charities, and Umweltbank was an initiative of a German couple, Sabine and Horst Popp, inspired by their previous experience in banking. In the latter case, although the Popp's worked for cooperative banks, they did not put such principles at the heart of their own initiative. In fact, the Umweltbank used a liberal instrument to raise capital and start its operations, selling so-called 'green shares' of its bank to early investors (Herzog et al., 2015).

Finally, the motivation for using the same tools differed between the early associationist initiatives and ethical banks. First, in terms of objectives, associationism aimed to empower workers, while ethical banking aims to support ecological initiatives. The common description of ethical banks emphasises a reappropriation of associationist and liberal instruments to finance sustainable projects that meet banking criteria but whose business model is not similar to other types of banks because of their innovative social and environmental nature. In particular, this goal is argued to motivate the implementation of associationist principles and instruments, as stakeholders of ethical banks are described as more critical thinkers (von Passavant, 2011). As ethical banks are closely monitored to ensure the authenticity of their actions, it is 'advisable to involve staff and customers in the bank's product development and decision-making processes' (ibid., p. 74). This reflects well the fact that democratic participation is one of the main characteristics used to define ethical banking (Győri et al., 2021; K. Krause & Battenfeld, 2019; San-Jose, Retolaza, & Gutierrez-Goiria, 2009). This also includes the principles of transparency, which are commonly legitimised in associationism based on democratic principles, as highlighted by one of the largest associations to emerge from associationist origins, the International Cooperative Alliance (ICA): "In the tradition of the Pioneers of the co-operative movement, elected representatives must regularly make available to members statements of account, financial reports and performance reports, presented in a way that is understandable to members with no financial background" (International Cooperative Alliance, 2015, pp. 20–21). Accessing the information mentioned in this quote from the ICA described a motivation towards transparency for democratic reasons. In ethical banking, transparency is indeed extensively featured as an important principle for ethical banking (Remer & Weber, 2011; San-Jose, Retolaza, & Gutierrez-Goiria, 2009; Valls Martínez et al., 2020; Valls Martínez, Martín-Cervantes, & Peña Rodríguez, 2021; von Passavant, 2011; Weber, 2012). However, in the literature on ethical banking, transparency for democratic purposes is not commonly described. Rather, transparency has been purported as an imperative because ethical banks 'live in a glass house': both their employees and customers watch closely whether they actually walk the talk' (von Passavant, 2011, p. 74). This suggests that associationist instruments are indeed being reappropriated but that their reappropriation is motivated by the need to demonstrate to stakeholders that ethical banks are acting on their words. For example, ethical banks are known to publish an extensive list of the loans they make to businesses and professional projects. La Nef, for example, publishes an annual report on the beneficiaries and the amount of loans granted (see Figure 7).


CHEZ GRANNY • Lablachère
Création d'un pôle commercial autour de la transformation bio
Montants empruntés : 80 000 € 400 000 €

LA MALTERIE ARDÉCHOISE • Vernoux-en-Vivarais
Développement d'un fournisseur de malt bio destiné aux salons de coiffure
Montant emprunté : 45 000 €

ACTIVITEIL • Le Teil
Création d'une entreprise d'aide à l'insertion par l'emploi
Montant emprunté : 90 000 €

UTOPIA • Le Teil
Création d'une boulangerie bio
Montants empruntés : 55 000 € 255 000 €

BRASSERIE LA MAIN NOIRE • St Paul-le-Jeune
Création d'une brasserie bio et labellisée Nature et Progrès
Montant emprunté : 80 000 €

ARDENNES (08)

BIOCOOP LE PISSENLIT • Charleville-Mézières
Création d'un magasin Biocoop
Montants empruntés : 350 000 € 100 000 €

BOUCHES-DU-RHÔNE (13)

SILOSUN • Marseille
Développement de centrales solaires pour une puissance de 1,259 MWc
Montant emprunté : 360 000 €

FAKIR CLUB • Marseille
Développement d'un centre de bien-être holistique
Montant emprunté : 530 000 €

LE BAR À VRAC • Marseille
Reprise d'une épicerie vrac
Montant emprunté : 90 000 €

ENOÉ • Marseille
Développement de l'activité du groupe dans le secteur des ENR* et plus particulièrement du solaire
* Énergies renouvelables
Montants empruntés : 500 000 € 500 000 €

SUPER CAFOUTCH • Marseille
Création d'un supermarché coopératif
Montant emprunté : 162 593 €

HODODA • Marseille
Création d'un restaurant de cuisine végétale
Montant emprunté : 100 000 €

Figure 8: extract from La Nef's 2022 report illustrating the list of loans granted during the year.

In 2022, the bank declared that it had granted 571 loans and provided a list detailing most of the loans. As the banking secrecy law prohibits banks from publishing the content and beneficiaries of their loans, banks like La Nef have to ask their clients to sign a waiver to allow this transparency (La Nef, 2023). Such detailed information about their activities can indeed help to meet the needs of clients who want to critically assess what is considered sustainable in the ethical banking model.

However, there is currently a lack of knowledge in the literature as to whether this motivation effectively challenges individualism as originally intended by associationism. In fact, transparency and democratic participation could be combined in the business model to maximise productivity for companies that have chosen a sustainable niche. In this respect, this would not help to provide interesting insight for a degrowth perspective, as it is in line with modern principles of profit maximisation. Whether or not the motives of ethical bankers are related to challenging individualism and productivism is crucial to understand how appropriate real-life examples of ethical banks are for informing on degrowth principles.

Ultimately, this section has outlined how the associationist movement has been central to the development of ethical banking. The solutions based on solidarity and mutualisation formed the basis of the instruments that support the activities of ethical banks today. These instruments, such as cooperatives, democratic governance and transparency, allow ethical banks to satisfy the specificities of their stakeholders, such as a high attention to social and environmental actions based on a tendency towards critical thinking. These instruments are the result of an important, distinctive principle of associationism: association. In fact, this principle runs counter to the process of individuation of modernity, which has been criticised as subjugating those who have the least for the benefit of those who have the most. Associationism is therefore strongly connected with challenging individualism, based on creating the conditions for individuals to become autonomous, grounded in mutualisation. The early motivation of associationists to support farmers and workers echoes the motivation of ethical banks to support social and environmental models, although they chose a different approach but used the same instruments. Indeed, the principles of association have been emphasised as needing to act on their words, not necessarily to empower stakeholders and support their autonomy. This suggests that there may be a discrepancy between the early intentions of the associationists and the way in which these tools have been reappropriated by ethical banking - but the literature does not support this claim, or vice versa.

4.2 Integrating Environmental Concerns

The previous section described associationism as one of the main inspirations for the current European ethical banking movement. It created the cooperative banking movement, a key influence within the ethical banking movement today. Indeed, associationism was presented as offering an alternative to the main attribute of modern ideology, individualism, both in theory and in practice, by creating legal structures and non-profit and economic organisations that offer collective solutions to empower those who have less. However, associationism became a field distinct from the ethical movement, challenging the individual component rather than broader sustainability issues[30]. Ethical banking has, therefore, been strongly inspired by this movement, particularly in terms of instruments, but is not a direct successor to associationism.

Rather, the European ethical banking movement is the result of a specific spiritual movement: anthroposophy, a spirituality that originated with Rudolf Steiner, a German spiritual leader of the late 19th and early 20th centuries. Indeed, Anthroposophy is responsible for launching the ethical banking movement of the 20th century in north-western European countries, based on a nuanced approach to productivism while creating economically viable alternatives, as will be discussed in this section (Jones, Grandjean, & Spadafora, 2018; Weber, 2012). This was made possible by the anthroposophy movement being built on a high level of concern for the environmental dimension and the connection between humans and nature.

Anthroposophical ethical banks have been very active in creating other ethical banks and in associating of them, leading setting up the Global Alliance for Banking on Values, the largest network of ethical banks. In addition, anthroposophy relates well to the other two origins of ethical banking, associationism and environmentalism, providing a strong incentive for ethical banks to incorporate both environmental and solidarity dimensions. For this reason, current ethical banks may be challenging both attributes of

[30] Although this is changing. In fact, the SSE federation of the canton of Geneva in Switzerland introduced an 8th principle focusing on protecting the environment.

modernity. This section examines the development of anthroposophy, the environmental movement and the ethical banking movement from the perspective of the principles of modernity.

4.2.1 Anthroposophy: Linking Western and Eastern Spirituality

Anthroposophy is a spirituality that emerged in the early years of the 20th century from the impulse of Rudolf Steiner. Although the anthroposophical movement began with Steiner and continued to grow after his death, the size of the movement is impossible to assess because of its self-dissolving nature and the lack of institutional affiliation of people who identify with anthroposophy. Nevertheless, the influence of this movement can be seen in many current examples that promote environmental and social justice, such as ethical banks. Anthroposophically inspired banks were established between 1974 and 1997, much later than the lifetime of Rudolf Steiner.

Anthroposophy is a spiritual movement that draws upon elements from both Eastern spiritual traditions and Western Protestantism. Indeed, according to Steiner, Christianity represents the highest stage of religious development, with more ancient religions such as Buddhism and Hinduism regarded as sources of wisdom from which modern societies have evolved (Zander, 2016). The primary focus of Anthroposophy is the pursuit of human enlightenment through a connection to the divine cosmic force, which is believed to connect all living beings. Spiritual practices such as meditation, dance, artistic pursuits, and community engagement are employed as a means of fostering an individual connection to the cosmos. This interpretation aligns with Eastern beliefs, characterised by an immanent interpretation of the spiritual dimension, which is believed to exist within each individual and can be accessed from the material world.

The term 'Anthroposophy' is derived from the Latin words 'Anthropos' and 'Sophia,' which literally mean 'humanity' and 'wisdom' respectively when translated. This reflects the anthroposophical perspective, which places value on the human perspective and rational intelligence in the modern development of the sciences.

Indeed, prior to founding the anthroposophy approach, Steiner was an active member of the Theosophical Society, which reflects most of his main beliefs (especially the synthesis of Eastern and Western religions), with the exception of his modern perspective. While the Theosophical Society can be characterised as anti-modernist, Steiner presented a perspective that embraced modernity based on the concept of rationality. This is evidenced in the effort of anthroposophy to create a para-science that demonstrates the spiritual nature of the world (Lamy, 2021). However, the spiritual motives highlight that Steiner's interpretation of rationalism does not align with the modern sense of rationalism that is characteristic of modern sciences (ibid.).

Furthermore, anthroposophy offers an alternative representation of modernity in several other ways. The environmental dimension in anthroposophy can be linked to the way in which Rudolf Steiner defined the concept of the cosmos. Indeed, he posits that the spiritual dimension of the cosmos is the source of all existence and reflects and moves the material dimension in which humans live. From this perspective of the interconnectedness of all living things, Steiner argued for environmental awareness, which ultimately motivated the environmental commitment of early anthroposophical ethical banks (McKanan, 2017). For example, in 1924, a year before his passing away, Steiner advocated for the protection of insects in agriculture rather than regarding them as pests, stating that "in great Nature — again and again I must say it — everything, everything is connected"[31] (Steiner, 1924, paragraph 30). This perspective is similar to that of the later environmental movement, as evidenced by the work of Rachel Carson, who argued for recognising the importance of protecting all life and highlighted the dangers of the current perspective on technology to control nature. This strong emphasis on the connection with nature provided the foundation for an anthroposophical movement that offered an alternative to the modern value of productivism.

The holistic perspective of the concept of the cosmos put forth by Steiner contrasts with the Enlightenment and Christian dualism (Body/Mind and Nature/Culture) that has influenced European societies for the past two centuries (Scerri, 2016). In the latter tradition, humans are created in the image of God, thereby acquiring the capacity for self-consciousness (Genesis 1:27). The notion of self-consciousness is exemplified by the act of Adam and Eve eating the apple, which transgressed the rules of God. This

[31] The quote is an extract from a 1924 lecture Steiner gave when he urged farmers to be able to identify the species of birds and insects and not to try to destroy them, but to recognise the work they do and from which farmers derive their production.

illustrates how, within the context of Christianity, humans are regarded as the sole living beings capable of exercising freedom of thought and action. In contrast, the rest of the natural world is confined by the rules of nature, created by God, and subject to the actions of humans (Grosse, 2005). Furthermore, in Genesis, God described creating nature for humanity to enjoy and thrive in, which serves to reinforce the narrative of nature being at the disposal of humanity and hierarchically inferior (Bourg & Swaton, 2021). This provides insight into how perspectives such as those critiqued by Rachel Carson have become the dominant approach in Christian-influenced societies such as industrial European countries and are linked with the productivism attribute of the modern ideology.

Despite its Protestant roots, anthroposophy draws inspiration from Eastern philosophies, including Buddhism and Hinduism. This provides a potential solution to the fundamental opposition between strong sustainability and Christianism, the latter being characterised by a dualistic view. Indeed, the concept of the divine as an essential and unifying force that has created or is moving the universe provides a compelling rationale for caring for other beings (Breda, 2019). The holistic perspective of Steiner extends even to the realm of the non-living, drawing inspiration from the perspective of esotericism[32], which was popular in the early 20th century. This perspective posits the ability of humans to connect with spirits (McKanan, 2017). This illustrates how the spirituality of Steiner blends Christian beliefs with those of Eastern religions, creating a Western-based holistic spirituality that integrates human beings into the interwoven relationships of nature.

4.2.2 Spiritual Motives to Create Alternative Initiatives

The specific human hierarchy, which is a fundamental aspect of anthroposophy, has motivated the creation of anthroposophical initiatives that aim to cultivate the care of nature and humans as a central goal for anthroposophists. Such initiatives have, in fact, constituted a pivotal factor in the evolution of the ecological

[32]More precisely, the occultist perspective of Helena Blavatsky, an important figure of the Theosophical movement of which Steiner was initially part, shaped Steiner's perspective on spiritual connection. However, due to differing perspectives, Steiner eventually founded the separate Anthroposophical movement.

movement. For example, biodynamic farming represents a form of anthroposophical organic agriculture that considers the natural cycle as esoteric, with astrology being a particular focus. Indeed, this form of agriculture was instrumental in the development of the contemporary organic farming movement. It is, in fact, a biodynamic farmer, Lord Northbourne, who is responsible for the term 'organic farming' and made significant contributions to the popularisation of organic farming practices (Paull & Hennig, 2020). Although biodynamic farming accounts for only one-tenth of organic farms, the influence of anthroposophy was instrumental in fostering the movement, reflecting the influence of anthroposophy in the ethical banking movement (ibid.). For Steiner, the conviction that humans can access a spiritual realm to which all living beings are believed to be connected motivates the care for all living beings. This care for other beings included the promotion of a form of spiritual development through work that contributes to the well-being of others and of nature. Anthroposophy embraced modern economic, political and scientific institutions as a means of developing their beliefs, which led to the creation of numerous anthroposophical initiatives in these domains.

The concept of a bank that places emphasis on spiritually motivated values over productive ones represents an alternative to the second principle of modern ideology, namely productivism. This alternative emerges from the holistic perspective of the human being as described by anthroposophy. Indeed, anthroposophy offers an esoteric perspective in which human beings are not merely a productive force but are, in fact, spiritual beings with the capacity to realise their true nature in connection with the cosmos. This perspective contrasts with the modern perspective, which views human activities as a means of creating great production. From an anthroposophical perspective, human activities are primarily oriented towards the realisation of a spiritual awakening.

This spiritual awakening has been a defining element of the early days of ethical banking, as it gave rise to a higher motivation that could not be subsumed for economic reasons (McKanan, 2017). For anthroposophists, the belief in a dimension of moving forces beyond the physical realm is inherently associated with a fundamentally higher hierarchical order than that of the material world. By emphasising the existence of a reality beyond the physical, anthroposophy has created a narrative that de-emphasises the physical reality of the economic dimension and places greater importance on the spiritual development of humans based on a metaphysical interpretation of their nature. It is this anti-modernist characteristic of anthroposophy that has been instrumental in driving the integration of environmental values as a priority within banks that typically prioritise the maximisation of productivity (ibid.). The spiritual priority at the core of anthroposophical alternatives represents a threat to the productivism value of modern ideology. Indeed, this value is relegated to a lower hierarchical order when compared to other motivations, such as those commonly considered 'ethical', including the fostering of human liberation, environmental protection, and social justice.

Nevertheless, the prioritisation of spiritual motivations over those of a productive nature did not exempt anthroposophists from the realities of modern economic organisations. Consequently, they required financial support to facilitate their growth (Milano, 2011). Ethical banking emerged from this context, particularly when larger financial support was required, for which banks were a convenient means of obtaining it. In fact, Steiner himself encouraged the creation of 'bank-like institutions' because he saw in money a similar idea to a moving force, which drives the economic dimension (Jones et al., 2018). The history of the current ethical banking movement can be traced back to the establishment of the GLS Bank, the first modern ethical bank, which originated in Germany in 1961 (GLS Bank, n.d.-a). As previously outlined, the initiative initially took the form of a nonprofit trust. The objective of this trust was to provide support for Steiner-Waldorf schools, a private educational institution that has gained considerable popularity in recent times. These schools were founded on the principles and values of anthroposophy, but they encountered difficulties in securing the necessary capital to develop their activities.

Following the German example of GLS Bank, Triodos Bank was established in the Netherlands by four anthroposophists: Adriaan Deking Dura, Dieter Brüll, Lex Bos and Rudolf Mees. They collaborated closely with the GLS Bank to create this new financial institution. Notably, they visited GLS Bank in the 1960s and met Wilhelm Ernst Barkhoff, the founder of the bank and an anthroposophist, to gain his support for establishing Triodos Bank (Schwedeler, 2017). This active mutual support of anthroposophically inspired initiatives has been a significant factor in the development of the current ethical banking movement, both in terms of direct support and as a source of inspiration for non-anthroposophical initiatives.

Indeed, this support for the launch of anthroposophical banking initiatives was perpetuated by Triodos Bank and GLS Bank, with further involvement in the development of other Steinerian banks, including Merkur Cooperative Bank. In 2016, the founder of this latter bank described: 'We got in touch with GLS Gemeinschaftsbank in Germany that we some years earlier had become acquainted with through an inspiring lecture in Aarhus, where the German bank's founder, Wilhelm Ernst Barkhoff, had thrilled a large number of people with the ability to start banks that were based on people and their ideas and willingness to implement projects, not just about the money and returns' (Lema Blanco, 2016, paragraph 22). Merkur subsequently provided support for inaugurating Cultura Bank and Ekobanken, thereby further emphasising the mutual assistance of Steinerian banks during their initial stages of development (Jones et al., 2018). Anthroposophists such as Barkhoff played an instrumental role in the creation of a network of banks inspired by anthroposophy. These banks have since evolved into a group that extends beyond the scope of anthroposophy and are formally recognised by the GABV network.

4.2.3 Environmentalism and the Anthroposophy

The strong anthroposophical perspective on the environment resulted in an interrelated relationship with the European environmentalism movement in the 1970s. Indeed, the anthroposophical movement is renowned for its mutually supportive relationship with the rise of environmental concerns, with key figures from both movements co-influencing each other in a context that proved beneficial to developing the ethical banking movement (McKannan, 2016).

The impact of the anthroposophical movement on the ecological movement is frequently overlooked due to the implicit nature of how anthroposophy is practised. This is particularly evident in the ethical banking literature, where the central importance of anthroposophy is seldom highlighted. One reason for this phenomenon is that only a small proportion of those who adhere to anthroposophical ideas are officially registered as members of the Anthroposophical Society or formally recognised as anthroposophist. This has resulted in the dissemination of anthroposophical ideas to a greater extent than is often acknowledged (ibid.). To illustrate, Rachel Carson, identified as a pivotal figure in the ecological movement, has, in fact, drawn directly upon the material produced by a legal case initiated by a biodynamic farming couple, Marjorie

Spock and Mary T. Richards (Paull, 2013). Many individuals who were either inspired by anthroposophical ideas or were themselves adherents of anthroposophy were among the founders of Green Parties, NGOs, or green companies such as ethical banks, contributing to the development and spread of the environmental movement (McKannan, 2011).

This is also exemplified in ethical banking by the historical account of the ABS by König & Wespe (2015), which was commissioned by the bank. The document describes how, during the initial discussions, the socially motivated group was approached by anthroposophists who had already developed a banking model that aligned with their intentions. The proposed model is said to have been rejected by the early working group, but it also illustrates the active role that anthroposophists played in promoting their model of ethical banking.

This is further illustrated by the case of the Ecology Building Society (EBS). EBS was inspired by members of the Green Party who sought to provide mortgages for properties that would not receive funding from traditional banks. These included properties that were in a state of disrepair, such as 'run-down properties' or 'ruins' that were to be self-built (Jones et al., 2018). This endeavour was not characterised as an instance of capitalising on a business opportunity; rather, it was presented as an ethically motivated pursuit aimed to provide support to individuals with limited financial resources. Currently, the EBS is a member of the GABV network and maintains close ties with banks that draw inspiration from anthroposophy. However, there is no evidence in the available literature suggesting that the bank engaged with anthroposophical ideas.

Nevertheless, a report from the FEBEA classifies the EBS as having roots in anthroposophy (Biggeri et al., 2022). Anecdotally, during the fieldwork, an informant from an anthroposophical bank also linked Banca Etica to anthroposophy, although this has not been substantiated in the existing literature on ethical banking: 'GLS, Triodos, Merkur Bank, La NEF, Banca Etica, and others would not exist either (without Anthroposophy)'. This illustrates the interconnection between ethical banks that have originated from spiritual foundations and those that are politically motivated. Indeed, their networks are now intertwined, as evidenced by the acquisition of Ökobank by GLS Bank, a secular green bank that subsequently became part of GLS Bank. Furthermore, the fact that many individuals have worked for both types of banks illustrates the interconnectivity between the institutions. For instance, the CEO of the EBS previously held the position of head of retail banking at Triodos Bank, while the former CEO of the ABS has been nominated as the CEO of the GABV.

4.2.4 A Secular Modern Western World

The difficulty in identifying banks with a spiritual and ethical motivation can be attributed to several historical factors. One such factor is the increasingly secular nature of modern society. This process of 'de-spiritualisation' has been a key aspect of social change, enabling societies to become more independent from religious leaders who have previously played a role in subjugating people. The secular context of the West provides an explanation for the public mistrust that exists towards anthroposophy, illustrated by the anthroposophical movement being included on the list of sects published by the Miviludes Commission in 1999, the body responsible for monitoring sectarian behaviour in France. Although anthroposophy was removed from the list in 2005, its reputation had already been tarnished due to its classification as a sect (Prélot, 2014). Consequently, the sole anthroposophically inspired bank in France, La Nef, developed a specific strategy to disassociate itself from anthroposophy. This strategy included the decision to cease funding Waldorf Steiner schools (Koller, 2023). This strategy was implemented at the same time as the bank obtained full licensing[33]. Indeed, the regulatory authority expressed scepticism regarding the autonomy of the bank from the Anthroposophical Society and requested evidence of independence, despite the fulfilment of all other criteria (Mignot, 2023). In a context characterised by a high degree of scepticism towards anthroposophy in France, this independence from any spiritual source to obtain banking rights is in line with the liberal perspective of the separation of economy, religion and the state. This perspective argues for the independence of economic organisations to enable them to retain their modern mission of profit maximisation (Cordelli, 2020). Consequently, La Nef was obliged to demonstrate its impartiality regarding anthroposophy to secure a full banking licence, thereby proving that it was not subject to religious influence. In 2023, the bank publicly refuted any connection with the anthroposophy movement. The

[33] Until being fully licensed, La Nef relied partially on services offered by the Crédit Coopératif, another member of the GABV, to offer the same range of services to its customer base as any other fully licensed bank.

Chairman of the Board of Directors referred to anthroposophy as '(d)e vieilles histoires, complètement dépassées et définitivement enterrées' (La Nef, 2022, paragraph 1), which translates to 'old stories, completely outdated and definitively buried'.

In this context, ethical banks that draw inspiration from anthroposophy are notoriously difficult to identify. The anthroposophical principles and spirituality were the driving force behind seven ethical banks in northwest Europe. However, only three institutions provide indications of their anthroposophical orientation, this concerns three banks that were inspired by anthroposophy: La Nef, Cultura Sparebank, and Ekobanken. These three banks from only hint at anthroposophy vision in primary sources (i.e., sources that were published by the ethical banks themselves) and concerned vocabulary (such as an emphasis on free initiative, impulse, or artistic expression in banking), locations (such as Järna, known to be the heart of the anthroposophical movement in Sweden, and which is the headquarter of Ekobanken), or specific visual representations, such as font relating to anthroposophy (for example, the font known as 'Weleda' or 'Waldorf', designed to create a representation of organic structures in a man-made design, see Figure 8 and 9, in which La Nef specifically re-designed its logo from an anthroposophically specific font to a more neutral one in terms of spirituality). These suggestions are often insufficient by themselves to identify an anthroposophically inspired bank, but they can highlight potential links to search for other sources.

Figure 9: La Nef logo until 2021, using font commonly used in anthroposophical initiatives.

Figure 10: La Nef logo since 2021: the inspiration from the anthroposophical movement has disappeared.

Furthermore, banks inspired by anthroposophy have evolved from exclusively servicing those with anthroposophical beliefs to offering a range of services that support sustainability and social justice initiatives (Lenz & Neckel, 2019). To illustrate, Triodos Bank explains:

Triodos Bank is not an anthroposophical bank. We are a bank for everyone who wants to make a positive contribution to our society with their money. With the savings entrusted to us, we finance organisations that have a positive impact on people, society and the environment (Triodos Bank, n.d.-a, paragraph 1).

Indeed, anthroposophically inspired banks were among the first to provide financial backing for sustainable projects that were not directly related to the anthroposophical movement. In 1989, GLS established a wind power fund in Germany, and Triodos Bank was constituted from the beginning with the objective of being 'as open as possible', selecting employees from a variety of backgrounds who were not affiliated with the anthroposophical movement (Jones et al., 2018, p. 98).

The term 'green banks' is frequently employed to describe banking institutions inspired by anthroposophy rather than the terms 'anthroposophical' or 'Steinerian' banks. This illustrates that the anthroposophically inspired ethical banking movement and the green banking movement are part of a single movement of banks with a shared set of values and motivations.

4.2.5 Autonomy and Collective Work in Anthroposophy

Although anthroposophy is closely connected to the green movement, its relationship with associationism is also well documented. During the period in which Steiner was active, the associationist movement was undergoing an accelerated phase of development. Steiner was only one generation from the initial associationists and was in favour of the reforms proposed by the social movement of the nineteenth century. He also proposed a transformation of societal structures in response to the social conditions of workers and farmers but emphasised the importance of spiritual transformation in this process. While socialists argued that the Industrial Revolution had alienated workers from their true potential, Steiner argued that the true potential of workers was, in fact, the connection to the spiritual substance[34]. Answering the social critique of capitalism, he argued for the virtue of autonomy on the grounds that spiritual

[34] He argues for spirituality as a way of liberation in his book *The Philosophy of Freedom*, a book that connects the liberal values of autonomy and freedom to the holistic principles of environmental and social care.

development is concerned with establishing a personal connection to the cosmos. Echoing associationism, he also advocated the virtue of mutualism on the basis that the interconnection provides a rationale for contributing to society and nature as part of a collective endeavour. In line with the associationist proposal of privately yet collectively owning the means of production through economic organisations, anthroposophical principles aim to create freedom and autonomy, to practise their spirituality and experience mystification. Therefore, the reformulation of the individualistic framework of modern ideology by anthroposophy draws inspiration from the associationist movement, offering a comprehensive anti-modernist account.

Given their historical roots, anthroposophical banking alternatives to degrowth principles are therefore possible. Both the spirituality of anthroposophy and the literature of degrowth, challenge the two attributes of modernity to create a more democratic societal organisation that aims to establish a more just and environmentally sustainable society. However, there is a crucial distinction between the two: the former has its roots in spirituality, whereas the latter is politically motivated. The history of ethical banking, with a focus on that inspired by anthroposophy, is the reason why these banks emerged from the fieldwork and were selected as useful cases to understand the practices and narratives of banking organisations that relate to degrowth perspectives.

4.2.6 Common Historic Principles

The history of ethical banks is also shaped by the influence of modern ideology. The following section will provide an overview of the main inspiration and challenges faced by ethical banks in response to market and political forces to present a comprehensive picture of the factors that have shaped the current ethical banking framework. The movement of ethical banking is consistent with the associationist concept of establishing a subsystem that is shielded from external influences with the aim of achieving autonomy and leveraging modern liberal instruments (Guérin et al., 2018). However, as illustrated by the associationist examples, the utilisation of liberal instruments to fund alternatives can be a double-edged sword. It can result in the creation of greater autonomy for an alternative system, or alternatively, it can lead to organisations whose valid environmental and social concerns are easily reappropriated back into the liberal and modern ideology. The concept of sustainable development, as defined by the United Nations, represents an example of such development. In response to criticism from the 1970s environmental movement, the concept was developed with the intention of addressing environmental and social problems. However, it was not sufficiently ambitious in its initial formulation to fully alleviate these issues although, it has contributed to the legitimisation of the current liberal and modern economic and political systems despite the mounting environmental and social threats that continue to challenge them. The possibility of reappropriation in the case of ethical banking is a menace that is described by Lenz & Neckel (2019), who state how ethical banks are faced with an impossible choice between maintaining a business-limiting model and requiring a business-enabling model to continue their development. In other words, are ethical banks maintaining an ideological frame that challenges modernity by deprioritising financial imperatives, or are they being subjugated to market forces with productive values becoming central? Understanding the key influences faced by current ethical banks can inform the way the current discourse may indicate a departure from a narrative that relates to their core anti-modernist origins. This final section of this chapter aims to support the next part of the research (Chapters 5 and 6), and provides an investigation of the discourses of ethical bankers from the perspective of the original motivations of their history and the perspective of their current influences. These influences can potentially mitigate their goals and mission towards a liberal framework, ultimately answering the question of how degrowth principles can be expressed in a banking institution.

The potential for reappropriation in the context of ethical banking is a significant challenge that has been highlighted by Lenz & Neckel (2019). They illustrate how ethical banks are confronted with the dilemma of maintaining a business-limiting model while simultaneously needing a business-enabling model to sustain their growth and development. An understanding of the key influences currently facing ethical banks can inform the way in which the current discourse may indicate a departure from a narrative that relates to their core anti-modernist origins, which will be further discussed in Chapters 5 and 6.

4.3 The Tension Between Market Forces and the First Missions of Ethical Banks

The previous section has discussed the diverse origins of the ethical banking movement, which emerged from anthroposophical initiatives in high-income European countries, following associationist and environmental principles. These historical movements were highlighted to demonstrate why and how they challenged individualism and productivism. This was evidenced by mutualisation and solidarity as a means of contributing to environmental and social goals, which were prioritised over productive goals. This historical combination of principles in ethical banking refers to characteristics that could prove insightful in a world without growth, potentially contributing to the potential development of degrowth banking. However, ethical banking operates within a modern context and must navigate the tension between the ideology of its historical origins. This concluding section of this chapter aims to delineate the key tensions between these principles and the prevailing market forces.

4.3.1 The Early Tensions

The founding of Triodos Bank reflects the contemporary influences that have shaped the ethical banking movement. To advance its own anthroposophical and environmental missions, Triodos Bank has adapted the instruments of the liberal philosophy to its own ends. For example, the bank established a venture capital entity in the 1980s to directly finance wind power projects that had difficulty securing loans in the banking sector despite growing concerns about energy sources in the aftermath of the Chernobyl disaster (Käufer, 2011). Subsequently, the newly established legal entity was employed to acquire land for organic farmers who were unable to access land independently. The fund would purchase the land and then lease it to organic farmers. These direct forms of investment in sustainable initiatives led to creating the first venture ethical fund, which today is considered to be the precursor to impact investment. The term impact investment was coined 30 years later by the Rockefeller Foundation (Finance Center for South-South Cooperation, 2023). The history of Triodos Bank provides a case study of how most ethical banking instruments were initially developed within a liberal and modern framework. Indeed, banking itself is a liberal and modern instrument that has been reappropriated by associationists, anthroposophists and environmentalists.

Moreover, in contrast to the GLS Bank, the activities of the Triodos Foundation were legally transferred into a bank after nine years of operations. Rather than being established as a credit union or a cooperative legal entity, the bank was constituted as a 'n.V', in other words, a 'Naamloze Vennootschap', translated as a limited company, was the most popular legal structure in the 20th century (Käufer, 2011). It originated from a liberal framework based on independence and separation, which further separated liabilities from businesses and capitalists (Harris, 2020). Although the early founders initially contemplated the cooperative structure, it was ultimately rejected in favour of competing with other mainstream banks utilising equivalent instruments. The rationale behind this decision was that limited companies are more effective at collecting larger sums of investments, given that the degree of control and authority for shareholders is proportional to the level of investment (Käufer, 2011). The ambition of Triodos to compete with modern banking institutions has resulted in the growth of the bank into an international financial institution with microfinance activities in the Global South and branches in multiple European countries (ibid.). Similarly, the ABS opted for an LLC despite the initial proponents of the project favouring the cooperative structure: "The law on banking […] allows the legal status of a cooperative bank for a very restricted type of activities" (König & Wespe, 2015, p. 21). Nevertheless, the legal structure of a limited company does not require organisations to prioritise profitability. Indeed, this is a matter of governance, which Triodos Bank and the ABS have adapted in accordance with their respective missions and objectives, utilising instruments of liberalism to achieve their goals within this form of organisation.

The case of Triodos Bank and the ABS demonstrates how ethical banks can be created with environmental, social, and spiritual goals in mind. However, it also illustrates the inherent tension between the ethical banking principles and the liberal and modern framework within which they have evolved. As previously outlined, La Nef represents a further illustration of this tension, necessitating the secularisation of their model to secure gaining a banking licence. Indeed, the conditions of existence of these organisations were – and remain – defined by the liberal markets to which they must adhere. This tension provides further support for the narrative that ethical banks originally contrasted with modernity yet are compelled to make choices and decisions that inherently reconnected their origins with the framework within which they were required to operate.

4.3.2 The Modern Pressures of Ethical Banks

Since the 2007-2008 subprime crisis, the European banking sector has undergone significant changes in response to the turmoil caused by the crisis, creating challenging conditions for ethical banks. In 2010, regulators introduced the Basel III framework with the objective of addressing the growing complexity and exposure to financial markets faced by commercial banks (Kocornik-Mina, 2022). This prompted the banking sector to adopt a more cautious approach to risk management, characterised by reduced asset leverage, increased liquidity and a reduction in risk-taking, with the objective of preventing future crises and avoiding the use of public funds to save private banks. Concurrently, central banks have been reducing interest rates to stimulate economic growth by providing inexpensive and readily accessible capital to individuals and businesses. During this period, the fixed interest rate set by the European Central Bank (ECB) underwent a significant decline, from 3.75% in 2008 to -0.5% in 2019. This shift in the monetary policy landscape led to a notable increase in the cost of deposits at the central bank, effectively reversing the traditional practice of earning interest on such deposits (Claeys, 2021). The confluence of these conditions, specific to the banking sector, has resulted in increased costs and a reduction in potential profitability for commercial banks.

Indeed, in the context of positive interest rates, the interest rate applied to savings accounts is divided between revenue for the central bank and interest for the account holder. Nevertheless, during the period of negative interest rates, most banks did not impose negative interest charges on their customers for an extended period of time, forcing their competitors to follow suit. Consequently, banks ceased to generate revenue from interest on deposits but were also required to absorb the negative interest. This resulted in the search for alternative methods of covering these additional costs by raising fees on savings, deposits, products and other services (Brei & Gambacorta, 2019).

This is a particularly problematic issue for ethical banks that already have a business model that implements high costs, making it challenging for them to increase customer fees. Indeed, as their business model does not prioritise profitability, ethical banks have a high cost-to-revenue ratio of 80% in 2018, compared to the publicly listed European banks' 65% average during the same period (Barnes & Ackermann, 2019; Fabregat & Valero, 2021). Therefore, the margin for compensating for the increasing costs of the post-subprime period was limited. For example, despite significant effort by Triodos Bank to increase efficiency, the bank increased its cost-to-income ratio to 81% in 2018 from 79% in 2017 (ibid.). The increases are attributed to the banking environment described above and the consequences of Brexit, despite pushing to digitalise their operations and streamline their processes.

In addition to their recently gained notoriety as an alternative to a banking sector that participated in the last financial crisis, European ethical banks experienced a significant increase in their deposits and related costs compared to Global Systemically Important Banks (GSIBs) (Kocornik-Mina, 2022; Lenz & Neckel, 2019; Valls Martínez et al., 2020). While such an opportunity would have been advantageous in another economic context, the low-interest environment of this period resulted in increased pressure on ethical banks with regard to operational costs related to the rise in deposits (Korslund & Spengler, 2012).

Furthermore, the restrictions imposed by their ethical framework contributed to their difficulties in mitigating the impacts of the rise in costs (ibid.). Indeed, the specific niche of ethical banks makes them particularly susceptible to the competitive pressures within the wider financial services sector. As previously discussed, ethical banks emerged in response to a lack of funding for environmental and anthroposophical initiatives, which prevented them from securing the necessary resources for their development. Indeed, the ethical banking model is based on the selection of a specialised niche of sustainable activities for loans and investment products, but not for deposits. Consequently, these banks have a limited pool of customers for loans compared to other types of banks, as they select customers on their ethical criteria. To illustrate this context, ethical banks have been observed to use their available capital for investment in other social enterprises, including other ethical banks and green bonds. This is due to the limited number of companies that meet the ethical criteria set by these banks: 'During the same time, the number of potential borrowers providing acceptable risks did not increase the same way as the savings and the deposits, the banks were not able to provide the loans in such a short time period, or the banks could not provide that many loans because their own equity was too low. Thus, a certain amount of capital of social banks is invested in government bonds and other low-risk assets' (Weber & Remer, 2011, p. 204).

Nevertheless, while conventional banks have historically been reluctant to provide funding for sustainable initiatives such as green energy due to the perceived higher risk, this is changing (Taghizadeh-Hesary & Yoshino, 2020). The subprime crisis also led to an increase in discourse and banking practices designed to enhance the confidence of shareholders and customers in socially and environmentally responsible ways. Consequently, this resulted in increased accessibility of bank funding for certain sustainable initiatives, provided that they met the financial criteria required by banks and the relevant regulations (Miralles-Quirós et al., 2019). Moreover, the current regulatory framework governing the development of complex derivative instruments and emphasising the need for banks to hold higher levels of assets is driving GSIBs to become more active in the real economy. This could lead them seeking new options, such as sustainable ones. Indeed, access to loans for sustainable projects such as renewable energy or biological farming increased in later years (Iskandarova et al., 2021). The business models of these sustainable projects have demonstrated their resilience over time, allowing less specialised institutions to assess their level of risk and, therefore, finance them (ibid.). Furthermore, the participation of banks in these projects presents a dual opportunity for financial institutions. In addition to generating revenue through loan interest, banks can also enhance their corporate social responsibility (CSR) and engage with stakeholders through public storytelling, which can positively impact sales, customer engagement, and firm value (Cho et al., 2019). This increase in the attractiveness associated with the implementation of a CSR strategy has resulted in integrating sustainability-related considerations at the highest levels of the organisational hierarchy within European banking institutions. In certain instances, this has even led to the remuneration of senior executives (Papadopoulos, 2022). It can be reasonably assumed that this context will persist, given the current trend of environmental tax increases and the rising energy cost. As previously discussed, the decline in EROI is likely to perpetuate this pattern of rising energy prices. This creates an environment in which such investment becomes increasingly attractive to the conventional banking sector (Mazzucato & Semieniuk, 2018). Consequently, the ethical banking sector is experiencing challenges to maintain and develop its customer base, particularly in the context of intensifying competition, putting further financial pressure on these institutions. The combined changes in the economic environment of ethical banks over the period 2008-2023 created significant stressors for ethical banks in terms of their business models and ethical identity (Lenz & Neckel, 2019).

Nevertheless, ethical banks demonstrated resilience in the face of these difficulties. They experienced substantial growth, capitalising on the post-subprime crisis decline in international banking. Notably, they increased their market share and strengthened their balance sheet (Callejas-Albiñana et al., 2017; Weber, 2016). While a significant proportion of the shift in clientele from conventional to ethical banks was attributable to depositors, ethical banks have also attracted borrowers and investors by capitalising on the loss of trust in the financial sector (Korslund & Spengler, 2012). By offering an alternative to the conventional banking system that precipitated a global financial crisis, ethical banks were perceived as a less risky option, thereby enhancing their appeal (Lenz & Neckel, 2019). This narrative has been capitalised on by ethical banks, as evidenced by the Alternative Bank of Switzerland, which used it to construct an identity of being "fully committed to (their) focus on the real economy (since) it avoids risks that are difficult to control (and) it avoids lucrative returns from the financial economy that have negative social and ecological repercussions" (Alternative Bank of Switzerland, n.d.-a, under section 'ne rien faire a aussi un impact').

Furthermore, while the regulatory environment was undergoing a significant transformation, ethical banks had already achieved compliance with most new criteria as a result of their more cautious approach to risk (Kocornik-Mina, 2022). For instance, the quantity of risk-based capital was considerably less in ethical banks than in GSIBs in the early 2010s. However, the gap has 'all but disappeared in 2020', with GSIBs now exhibiting a comparable level to that of ethical banks (ibid., p. 8). Therefore, while GSIBs were required to adapt their business model and adopt a more measured approach to risk-taking, ethical banks had already achieved compliance with most regulatory requirements and incurred fewer costs associated with the regulatory changes. Consequently, despite a higher cost-to-income ratio, an analysis of return on assets (ROA) and return on equity (ROE) reveals that ethical banks exhibit comparable financial performance to GSIBs, with instances of slightly higher performance. During the period of low interest rates between 2011 and 2020, Kocornik-Mina (2022) reported that GSIBs had an ROA of 0.59%, while ethical banks had an ROA of 0.68%. Similarly, the ROE for GSIBs was 7.4%, while that for ethical banks was 8.4%. Moreover, during the 2015-2018 period, it was not found that '[…] that profitability is significantly different between conventional and ethical banking' (Martínez et al., 2020, p. 18). Similarly, between 2003 and 2013, the same results were found that show '[…] that the ethical approach does not significantly affect profitability' (Halamka & Teplý, 2017, p. 343). In the context of a highly challenging environment, characterised by the severe difficulties experienced by numerous GSIBs, it is notable that no European bank member of the GABV failed or required government support (Kocornik-Mina, 2022).

Nevertheless, while ethical banks have benefited from the fear created by the subprime crisis, such angst ultimately subsidised over time (Lenz & Neckel, 2019). Further, the more competition ethical banks face, the more they will be confronted with impossible choices between their market-limiting value and their need to develop their activities to survive. Therefore, the competitive pressures facing European ethical banks present a significant challenge to maintaining ethical principles and achieving profitability. This is evidenced by the slight increase in the average cost-to-income ratio of two percentage points between 2015 and 2018 among ethical banks (Kocornik-Mina, 2022). In one instance, Lenz and Neckel (2019) argued that ethical banks may ultimately be forced to broaden their loan portfolios to include a more diverse range of companies that do not align with their core values. This would entail a shift from market-limiting values to market-enabling strategies. The authors employed the example of anthroposophically inspired banks that provide financial support to green initiatives despite not necessarily sharing the same spiritual beliefs.

However, as demonstrated, banks inspired by anthroposophy have provided funding for a wide range of green initiatives from an early stage, indicating that ethical banks are more resilient than Lenz and Neckel suggest. Adopting a degrowth perspective, it becomes apparent that two factors are contributors to such resilience, which can explain how ethical banks have managed to resist market forces.

Firstly, their moral framework, inherited from the environmentalist movement, represents a more cautious approach to risk, including financial risk. In addition to their social and environmental approach, this may offer a competitive advantage in the future, given the ecological evolution outlined in Chapter 2. Indeed, they have been developing their social and environmental mission since the 1980s within the economic dimension, which is becoming central to banking activities. By understanding the specifics of alternative environmental and social projects, they can become more innovative than their competitors and provide greater assistance to alternative initiatives.

Furthermore, ethical banks operate on a mutualistic basis. The reciprocity between clients and banks, from trusting relationships and shared moral principles, could help them to reduce their risks and increase their profitability. This reciprocity is also evident in the formation of alliances between ethical banks, such as the FEBEA and GABV. These alliances facilitate mutual assistance in the event of adversity. To illustrate, Triodos Bank and the Alternative Bank of Switzerland (ABS) have signed a partnership agreement for the period 2022-2025, with the objective of jointly financing projects in the Netherlands, Belgium and Germany that could help address the temporary issue of the ABS having a surplus of assets and an insufficient volume of loans to fund (Alternative Bank Switzerland, 2022). Other examples include:

- Triodos Bank creating an impact investment platform which featured funds from the GLS Bank (GABV, 2021a).
- Triodos Bank, GLS Bank and Umweltbank buying 78% of the shares of Opportunity Bank Serbia (now called 3Bank), a GABV member, to support its development (GABV, 2020).
- Amalgamated Bank and New Resource Bank, two US-based GABV members, pooling their resources to create a new wider-reaching ethical bank (GABV, 2018a).
- The GABV and Triodos Investment Management putting together an investment fund called the Sustainability, Finance, Real Economies (SFRE) fund, designed to support GABV members, such as the Unity Trust Bank (who has secured £11M from the fund), or Banco Vision, and Financiera Desyfin (amount not disclosed) (GABV, 2016, 2018b).

These collaborations demonstrate the ability of the GABV to provide financial support for the ethical banking model, as stated on its member page (GABV, n.d.-b). The interconnections between ethical banks and the support of networks such as the GABV may prove crucial to sustaining their model, which faces challenges should ethical banks remain true to their original values. Indeed, ethical banks have been linked to moral frameworks that question the two main attributes of modernity. However, ethical banks are also organisations that have adopted modern and liberal instruments based on associationist and environmentalist principles to serve their primary ecological missions. Furthermore, the modern imaginary plays a significant role in the relationships and organisational structures of banks, whether ethical or modern, influencing the extent to which ethical goals can be pursued. The case study of ethical banks illustrates how understanding the liberal and modern influences is crucial for achieving autonomy from the economic dimension, which represents the main objective of degrowth. Given the historical origins of ethical banks, they are a valuable source of information regarding these influences and potential imaginaries that can legitimise a transition towards selfless missions and goals based on the safeguarding of distant interrelationships.

4.3.3 Ethical Banks to Understand the Potential Mechanisms to Support Degrowth Narratives

This chapter aimed to examine the historical motives and values that led to the emergence of ethical banks and to gain insight into the nuances of their alternative discourse to modernity, as described in the literature and in their public content. This discourse was situated within the context of modernity, with a particular focus on the fundamental values of individualism and productivism. This allowed for a comprehensive understanding of how ethical banks sought to legitimate the utilisation of liberal and modern instruments while simultaneously challenging the very principles of modernity itself. This historical analysis revealed that the movements that established ethical banks were driven by a critique of the consequences of capitalism. These included the subjugation of workers, the de-spiritualisation of the world, and the destruction of the biosphere. Collectively, the movements present a comprehensive challenge to individualism and productivism. This objection emerges from a critique of individualism, as exemplified by associationism, and extends to encompass spiritual imperatives associated with both anthroposophy and ecological motives, which are, in turn, linked with the environmentalist movement. Nevertheless, the challenges inherent to modern liberal markets and social structures, within which ethical banks are embedded, may prove limiting in terms of sustaining their ideological stance in a manner that aligns with that of degrowth movements. It is, therefore, necessary to gain an understanding of the modern values in question in the context of the motivations that drive ethical bank employees in their work and the way they experience the social structure in which they are embedded.

The following chapter will present the research methods selected and developed for the purpose of capturing the insights of ethical banks considering degrowth narratives. A relativist and exploratory approach will be presented, given the nature of banking and the nature of this research. This approach is supported by the difficulties of a traditionally secretive field and the imperative of exploring the ethical narratives in the field. This methodology forms part of a broader aim to understand the mechanisms in banking designed to reclaim autonomy from the economy for a sustainable transition. The results of this will be presented in the following chapters.

4.4 Summary Table of the Main Historical Variables of Ethical Banking

This chapter provided an overview of the historical development of the various movements that resulted in creating ethical banks in Europe. Table 3 shows a summary of the historical movements in their period, aim, their main values and principles, their perspective on modern ideology, the relevant instruments they developed in relation to the focus of this research, and the type of banking model that emerged.

Period	**Movement**	**Aim**	**Virtues and principles**	**Perspective on modern ideology**	**Instruments**	**Banking**
17th century	Liberalism (and its successor, neoliberalism)	Freedom to produce	Equality, freedom, individualism, competition	Embrace both values of modernity, productivism and individualism	Free markets, private property, LLC	Commercial banks
19th century	Associationism	Autonomy for workers and farmers	Cooperation, mutualism, trust, autonomy	Challenge individualism for the profit of collective values	Cooperative legal structure, democratic structure, rules of governance	Credit union and cooperative banks
20th century	Anthroposophy	Liberating mankind through re-mystification	Freedom, individualism and mutualism, care for nature, spirituality	Challenge individualism with a relational approach and productivism by attributing a spiritual role to humans	Free markets, cooperative legal structure & principles, LLC	Anthroposophical banks

20th century	Environmentalism	Safeguarding the environmental conditions for future generations	Re-embedement of human into nature, natural capital preservation	Challenge productivism to preserve the natural environment	Scientific reports, activism, political activities	Green banks

Table 5: Explanatory variables of the movements that resulted in the emergence of ethical banks.

5 Caring for Nature and Society: How Are Ethical Banks Challenging the Value of Productivism?

Introduction

This chapter presents the findings of the fieldwork, which involved the collection of discourses and narratives from ethical banks and Systemically Important Banks (SIBs) related to the modern value of productivism. This value reflects the initial critique put forth by the degrowth movement regarding the growth imperative driven by social institutions of banking. As previously indicated, while the literature on degrowth and banking is extensive, it predominantly addresses instruments and is lacking in empirical examples that can inform the development of a degrowth banking model. This includes the moral values, culture and governance system that can effectively address the growth imperative in banking. This is due to two factors: firstly, degrowth is a radical theoretical framework compared to mainstream frameworks, and secondly, degrowth is a relatively new concept (Strunz & Bartkowski, 2018).

However, as has been argued, ethical banks are good candidates to offer crucial insights into degrowth banking. Ethical banks are the successors of older movements that were demonstrated in Chapter 4 to connect with degrowth and have gone through many iterations to arrive at their current form. Specifically, the historical origin of ethical banking connects with degrowth on how they challenge modernity, specifically disputing the moral values of productivism and individualism. While degrowth can easily be disregarded as unrealistic or impractical due to the lack of real-world examples, ethical banks have been experimenting with their moral frameworks since the 1970s. The narratives and processes of ethical banks can serve to illustrate the potential of a real-life alternative banking system, if they maintain their historical ethical framework in a manner that reflects the challenges posed by productivism and individualism.

Furthermore, ethical banks adopt an approach that inherently reflects liberal-democratic values and objectives while possibly challenging modern values of productivism and individualism. Indeed, associationism, environmentalism and anthroposophy all challenge the values of modernity, simultaneously aligning themselves with contemporary democratic and liberal values. A focus on liberal and democratic values may facilitate the acceptance of degrowth in Western high-income countries that also adhere to these same principles (Strunz & Bartkowski, 2018). This has the advantage of enabling developing scenarios that can provide a radical response to the issues of climate change and social justice while retaining the capacity for individuals to experience autonomy, which is a fundamental criterion in most Western well-being frameworks (ibid.).

In this chapter, productivism is highlighted from the findings of the coding process of the collected content during the fieldwork with ethical and modern banks. The coding process outlined three main narratives: (1) foregoing funding and sales opportunities according to moral criteria, (2) taking more risks in morally aligned cases, and (3) accepting lower levels of efficiency in their internal processes. The different ways in which the ethical bankers described maintaining financial profitability while challenging productivism, which may sound antagonistic but is, in fact, necessary to maintain their ideology, are discussed.

The chapter commences with examining the interpretation of productivism within the context of banking. This is accomplished by employing the discourses of informants from SIBs in conjunction with the extant literature on modern banking. The chapter proceeds to present the findings regarding the way ethical bankers described their experiences of navigating the tensions between their moral framework and economic imperative. In particular, the relationship between the moral objectives of the bankers and their financial objectives is examined in the context of their activities, including loan activities, and their internal processes, such as their remuneration system. In conclusion, the chapter delineates the way ethical banks delineate and reflect the practice of an internal cross-subsidising of activities pertaining to their moral framework. The findings come from a thematic analysis that identified the recurrence of the key themes during the course of the fieldwork. They are, therefore, directly relevant to the modern value of productivism.

Finally, this chapter explores how ethical banks reinterpret productivism based on two questions: how are ethical banks stating their missions in perspective of their historical values, and how does this discourse reflect challenging productivism? The findings are discussed in the perspective of the questions of this chapter, assessing the alignment of the current discourses of ethical banks to their historical roots, and these discourses to question of productivism.

5.1 Contextualising Productivism in Modern Banking

This section examines the modern economic ideology in the context of banking. Specifically, it presents the collected content from modern banks from the perspective of their potential to inform on the value of productivism.

The fieldwork substantiates how, in modern economic ideology, the sole role of economic organisations is to create the largest amount of trade possible to increase the happiness of society, as famously said by Milton Friedman (1970): 'There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits' (p. 6). Understanding how this question structures banks in their respective markets is key to assessing the relationship between ethical banks and bankers and productivism.

When discussing this question of the connection between productivity and sustainability, bankers in SIBs reflected the views of Milton Friedman. In fact, the relationship between competition, productivity and sustainability was significantly connected in modern banking. Informants outlined how sustainability was one metric among others used to measure the success of their respective banks. In fact, sustainability was framed by the influence of modern competitive markets, which creates a drive towards finding as many ways as possible to get an edge over the competition, including social and environmental parameters. Specifically, these can create greater attractiveness, explore new markets, and therefore, enhance profitability.

For example, a sustainability manager from an SIB, Denise, expressed multiple dimensions of growth, from financial, customer satisfaction and attractiveness to sustainability. This was framed within a business strategy, with all the ambitions described related to the financial growth of the bank. Indeed, Denise later said that sustainability had become a competitive factor in European banking. In this context, sustainability is interpreted as a productive factor that contributes to the financial success of the bank, with competition motivating actors to seek sustainability to maximise their productivity.

> *Denise: We have a business strategy going forward in terms of, toward 2025. […] We want to be among the largest financial institutions in the country. […] And in terms of customer satisfaction […] the target is*

obviously to retain the position as one of the most preferred banks in the country. […] And in terms of sustainability […] We want to be recognized as one of the most sustainable banks in the country. […] So that is our leading star that we want to live up to these major expectations for the bank and that is why we have that ambition.

The discourse simultaneously reflects Milton Friedman's quote, and the discourse on sustainable development outlined in Chapter 2, substantiating the early claims in this research of the emphasis on productivism on sustainable development. Indeed, in the United Nations (UN)'s view of sustainability, the translation of the concept of sustainability in banking can only be understood as an attribute that contributes to the long-term productivity of the bank. The competitive context of the market that drives banks to maximise their productivity is seen as constitutive of sustainability, as in the discourse of Denise. This was echoed by all other SIB sustainability managers, for instance, one described the necessity to 'make the business case for sustainability', emphasising the importance of how sustainable activities are integral to the productivity of their respective bank to increase their competitiveness. Indeed, all four SIB sustainability managers linked their sustainable development strategies to increased profitability. This was described as both a long- and short-term strategy related to expanding the activities of banks by exploring new sustainability markets.

These findings substantiate the interpretation of sustainability from a modernity perspective, as criticised by degrowth. Sustainability principles and activities must be designed to be compatible with the productive goals of banks; otherwise, they could hinder competitiveness and survivability of the organisation. In this view, if sustainability is seen as a financial cost, for instance, if implementing a sustainability strategy does not lead to financial gain, it is simply not compatible with their model. Denise illustrated this when she explained that if her proposals to the board were 'harmful business-wise', they would have little chance of being implemented. The sustainability managers illustrated well how the current modern ideology, fuelled by the competitive context, drives actors to see sustainability as part of the productive parameters of business to gain a competitive edge and earn more customers, revenue and profitability.

This was further illustrated in terms of how technology and productivity were described to go hand in hand and seen as a way to 'disrupt' society when explaining offering sustainable solutions for the future.

> *Denise: In our sector, when you say innovation, we often interpret is it as a Fintech technology and digitalization, so that is something that we are very, very focused upon within the sector. So, the common understanding is that we cannot live up to the future demands and continue to attract thousands of customers every year if we do not keep up with this digital development and the disruption of society. So that's a very you know, common understanding that we all agree upon within the sector.*

Denise's discourse reflects how Ellul criticises technology as a problem related to capitalism: 'In other words, all the admittedly difficult problems raised in the modern world belong to the structure of capitalism and not to that of Technique' (Ellul, 1962, p. 404). Denise eludes to the modern ideology of technology in a banking context, which links productivism and sustainability together (Garg & Kumar, 2024).

Furthermore, the role of the government in the context of sustainability was also frequently brought up by informants from modern banks. Reflecting the division of power put forth by modernity between private organisations, public organisations and individuals, normative assessments are considered the responsibility of public organisations instead of private organisations such as their respective banks. In terms of normative choices from a modern viewpoint, it is the responsibility of agents to define what constitutes their well-being and to democratically vote and consume accordingly. Governments and regulators are then tasked with deciding the conditions of markets so that the regulatory and price environment reflects what citizens consider to be socially useful. For example, Denise attributed the reason for sustainability becoming a competitive factor in finance to the fact that her government had set ambitious targets for her sector, while Victoria, another SIB sustainability officer, described it as ultimately the role of the government to act and the banks to follow, explaining that 'it will always come down to the government'. In fact, a common discourse in banking describes banks as merely following customers' demands since it is not their role to normatively assess behaviours. But in fact, following the division of power, modernity goes further in that respect by stating that maximising productivity already considers the ethical normative choices of democratic societies, creating the illusion that economic organisations are exempt from the obligation to make such choices themselves, as outlined by Friedman above. In this way, sustainability is legitimised within a productivism framework based on preserving the roles of institutions (Riley, 2018).

These findings illustrated the relationship between productivism and sustainability in modern banking, described as a competitive and productive parameter that essentially reflects democratic decisions. In this respect, productivity was argued to legitimise sustainability as it follows the will of citizens, with private companies respecting the values of modern society. The moral framework of banks, therefore, follows a utilitarian economic perspective, which aims to maximise the utility of a given society, further reflecting the well-being of agents and using economic value as a proxy for utility. Financially motivated decisions are morally justified in this framework, with the value of productivism as the core legitimising value. It is this interpretation that will serve as a perspective for the following sections, which focus on the discussion with ethical bankers in relation to the value of productivism.

5.2 Managing Social, Environmental and Financial Dilemmas

The modern interpretation of economic organisations is based on the idea that their most important role is to create economic value by producing and selling goods and services. However, historically, the value of productivism that emphasises the generation of profitability, was associated with a lack of funding opportunities for alternative projects with other moral goals. Furthermore, from a degrowth perspective, the value of productivism is directly associated with the destruction of the environment and the subjugation of societies, leading to individuals losing their autonomy.

Therefore, changing the priority of the economic dimension is crucial to answer these shortcomings, which is explored in this section, more specifically, in the perspective of the current ethical banking narratives, which attempt to reconcile giving a central place to social justice and environmental protection while remaining profitable.

Historically, this change in priority was demonstrated to be related to an emphasis on moral objectives based on either environmental, social, or spiritual dimensions. In turn, this motivated banks to create alternative instruments and to fund initiatives that aligned with their principles, those often overlooked by the contemporary financial system. Therefore, ethical banks originally had a clear identity and moral framework, which motivated their creation.

This is assessed by investigating how ethical banks are describing managing their social, environmental and financial objectives in the current modern environment. In this section, this is discussed from the perspective of (1) ethical banks' stated hierarchy of the different objectives (Chapter 5.2.1), of (2) the costs associated with the moral framework of ethical banks (Chapter 5.2.2) and (3) the role of the moral framework in motivating stakeholders to participate in the missions of ethical banks (Chapter 5.2.3 to 5.2.5).

5.2.1 Changing the Hierarchy of Values

In ethical banking, the renunciation of profit maximisation has been mentioned by all ethical banks of the sample of this research, which reflects an alternative to productivism in line with their historical roots. This discourse is illustrated, for example, by the Alternative Bank of Switzerland (ABS), which describes that 'The ABS renounces profit maximisation. […] The BAS believes it is essential to achieve positive social and ecological impacts for society, in line with its ethical principles' (Alternative Bank Switzerland, n.d.-b). The mission statement of Charity Bank is another example: 'What drives us isn't profit (Charity Bank, n.d.1st paragraph), or a slogan from the Global Alliance for Banking on Values (GABV): 'People Before Profit' (GABV, 2015). As challenging productivism was one of the criteria of selection of this research, it is consistent that all ethical banks in the sample described not maximising profitability by placing it behind their moral imperatives (see Annex A1, A2, and A3).

The slogan put forth by the GABV of putting human well-being before their search for profitability directly echoes the Giddings diagram (see Figure 6, page 59), the most well-known illustration of strong sustainability principles of embeddedness of the economic dimension. Such a rapprochement between a central concept of strong sustainability and the discourse of ethical banks is an important hint at the alternative nature of ethical banking. In fact, this figure, which strongly contrasts with the modern perspective on sustainability, was directly featured in two cases in the collected documents.

First, it was featured in the theoretical framework used by Triodos Bank, from a paper by Schoenmaker & Stegeman (2023) (see Figure 10).

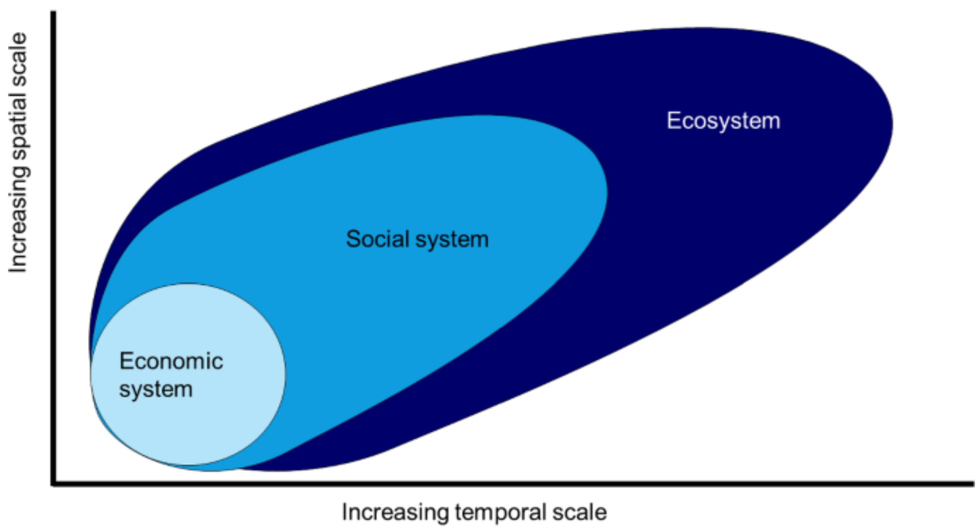

Figure 11: Giddings' modified illustration of the economic dimension embedded into the social and environmental systems, extracted in Schoenmaker & Stegeman (2023).

The article describes the use of the diagram as "acknowledging that the economy is a nested part of a social system and, for that matter, also a subset of ecosystems […]" (p. 36). This nested perspective of the economic dimension refers to the idea of challenging productivism by defying the modern representation of the hierarchy of systems, with the economy at the bottom of the hierarchy. Indeed, the diagram argues that the economic system is of a smaller temporal and spatial scale than the other two systems and therefore requires less priority. Furthermore, the Giddings diagram was found in one other occurrence, almost unchanged: the 2021 Annual Report of the Ecology Building Society (see Figure 11).

Figure 12: Ecology Building Society's diagram of dimensional hierarchy that appears directly inspired by the Giddings et al. (2002) diagram. However, the Annual Report did not reference Giddings' diagram (Ecology Building Society, 2022, Annual Report 2021, p. 14).

This illustration shows the same pattern of the environmental and social dimensions taking priority over all others. The bank - in this case, the Ecology Building Society - replaces the economic dimension with itself and its stakeholders within the other larger systems. However, these models lacked clear explanations and references. This is a difficulty that was encountered throughout the fieldwork and further highlighted in the interviews by the tendency of ethical bankers to reflect their moral principles in terms of outcomes. This makes it arduous to assess the values that motivate these decisions, especially when the underlying goals are broad, such as environmental protection and social justice, which also limits the assessment.

For example, the case of technology from the perspective of sustainability was an example of these challenges, which gave rise to discrepancies in the discourses collected. Indeed, the anti-modernist perspective of Ellul of a disembedded technological system described in Chapter 2 is useful for understanding the outcomes of the moral framework of ethical banks regarding moral dilemmas in relation to technology, but there was no critical judgement of technology and the risk associated in the collected content (see Table 5). Furthermore, as is discussed below, while some outcomes stem from a critical view of technology, other ethical bankers described a techno-optimist perspective.

1. Agriculture, aquaculture	**2. Animal ethics**	**3. Biodiversity**	**4. Energy**	**5. Resource protection**	**6. Synthetic compounds**
1.1 Industrial animal farming	2.1 Testing cosmetics on animals	3.1 Destruction of protected natural areas	4.1 Fossil fuels	5.1 Rare raw materials without proven environmental commitment	6.1 Persistent compounds
1.2 Industrial agriculture		3.2 Endangering biological, cultural and ethnic diversity	4.2 Nuclear energy		6.2 Bio accumulators
1.3 Pesticides and GMOs		3.3 Deforestation			6.3 High-risk industrial chemicals
1.4 Biomass from primary sources					6.4 Major environmental pollution and degradation

Table 5: Extracted from Barras (2018) and adapted to new data. Fifteen negative criteria regarding the environment for the selection process of loans and investments were found in public documents of ethical banks. 104 criteria were compiled and further thematised together to form a list of 27 criteria, 15 of those linked to nature protection and preservation. Additionally, this was further compiled into 6 main dimensions: agriculture, animal ethics, biodiversity, energy, resource protection and synthetic compounds.

As an illustration, all ethical banks offered loans to farmers (15 out of 15, see Annexes A1 to A4) and declared a focus on financing organic farming and at the same time refusing to finance industrial agricultural activities or those that use GMOs and pesticides (5 out of 5, see Table 5, Criteria 1.1 to 1.3 and Annex D2). Although there is no scientific consensus that industrial agriculture using GMOs and pesticides can be sustainable, as exemplified by alternative models of technological agriculture, all ethical banks decided to exclude these practices from their portfolios (either through negative criteria or through the positive criterion of funding small-scale organic agriculture) (Kazi Wahaj, 2015; Ren et al., 2019). Funding non-industrial, non-GMO organic agriculture means focusing on a type of agriculture that produces 25-30% less crop yield than conventional practices but is considered low-tech and, therefore, more respectable from an environmentalist perspective (Ibid, Alvarez, 2022). From this information, it is possible to deduct that this view reflects the idea of choosing not to use technologies that may produce better results in terms of productivity but are techno-centric and therefore considered potentially harmful to the vision of ethical banking. However, this argument is a consequentialist approach to understanding the normative choices of ethical banks, but not an argument that is used by ethical banks, which defended their position loosely. To illustrate, Triodos Bank described exclusively supporting organic methods of farming that they described fostering 'high animal welfare standards', avoiding 'using pesticides and chemical fertilisers and helps to revitalise the earth' and 'releases fewer greenhouse gases than non-organic farming, meaning a smaller carbon footprint' (Triodos Bank, n.d.-b, paragraph 1). This lack of precision in terms of the moral framework was commonly found, along with the propension to assess ethics in practical over theoretical terms, which is problematic when ethics is the core identity of ethical banks.

Furthermore, informants also discussed technology, but in opposing ways. While some echoed a *de-instrumentalisation* of technology, frequently argued in the stated choices of ethical dilemmas of ethical bankers, others echoed an instrumentalisation by technology, forced by the competitive conditions to be implemented (see Annex E1, comp_sufficiency, when ethical bankers frequently highlighted a sufficient approach to competition). For example, a critical view of technology was discussed by a sustainability manager of an ethical bank, arguing that while technology was important, what mattered was the motivation behind it and critiquing technology when it is viewed as an end in itself – aligning with the critical perspective of technology put forth by Ellul.

> *Julianna: Innovation is important. Is it always a good thing? Well, it depends on what the motivation for it is[…] You know, digital banking is happening especially and clever things that people are doing, which is good, but how much time do we invest in all of that which is happening really quickly? You know, we'd have to try and keep up there. Or do we just keep on, you know, focus doing the good things that we're doing now and then once all of that stuff becomes a bit clearer, then we get involved in that […]. At the end of the day, we're just trying to make finance have a positive impact and we can do that with the current tools we have.*

Julianna described considering technological development in banking once it has been evaluated and provided it serves their moral mission. She did not outline her institution as an advocate of technological solutions, nor did she feel pressure to implement a technology to answer competitive imperatives. In fact, she further discussed technology in the sense of maintaining services for 'people who are very loyal savers, they'll be older people, they don't want an app they don't want to do it online, they just want to talk to somebody', prompting her to argue that 'as we evolve, we still need to take people with us or make sure we meet their needs because we're not going to shut them out, we're not going to say, well, we don't do that anymore, and that's really important to us'.

This contrasted the perspective of economic development serving the purpose of technological development to increase human welfare, as was the case with modern bankers. This was also echoed by other ethical bankers, such as an anthroposophical banker, who explained: "If you use, for example, your fintech approach to extract money, for example from the market, something people really like to do... Then it's the devil for me (laugh), and if someone does a really good online application, however, it could be a good solution". The intentions behind the implementation of the technology were, therefore, more valued than the outcomes in these instances, reflecting an ethical framework that emphasises the processes rather than the outcomes.

On the other hand, some ethical bankers aligned with modern bankers and advancing market pressure to implement technology, which they saw as an important way to increase their profitability via rising their efficiency and expanding their customer-base by reaching out to the younger generation, such as Judy, a senior officer of an ethical bank:

> *Judy: I think we need to move towards digitalisation to improve efficiency and cut costs. And there's also this competition of banks that are only digital. And I think that young people are going to go for that because it's cheaper and there's less hassle. When people open an account, they ask how they can withdraw money: well, there are ATMs. But we don't have cash at the counter... And in the end (clients) never withdraw money at the counter, (clients) never do that. So, I think that for us it's an opportunity, but we'll have to see how...*

In this narrative, technology is a gateway to more productivity, in line with the argument of modern bankers, motivated by the competition and the growth of the bank. Furthermore, she described that they must assess "how" to implement the digitalisation of their banking activities to respect their framework rather than the other way around. This contrasts with the discourses of Julianna and John, who emphasise the nature of technology rather than how it is implemented to manage outcomes. The case of technology in the perspective of their moral framework underscored the challenges in identifying the core moral framework of ethical bankers, rendered more difficult by the discrepancies found in their discourse. This was found to be a common theme for most of the collected content, especially in dimensions that were subject to market pressures.

Therefore, while the environmental roots were well represented in the justifications and decisions discussed by ethical bankers, their arguments were mostly focused on practical perspectives and presented important variations in terms of where the values of their moral framework were emphasised, varying from procedures to consequences, which have crucial impacts on the assessment of moral dilemmas. Indeed, in the case of technology, it reflected opposing discourses, which is a problematic situation when ethical banks create their community and identity in terms of common goals that they share, for instance, through the GABV. This meant that regarding challenging productivism, not all ethical banks had the same moral framework and sometimes not even within the same institution. These inconsistencies highlight the finding that what morally defines ethical banks is left to the discretion of the observer. This is surprising given their historical roots, which create a strong identity for ethical banks, and the fact that the moral framework of ethical banks is their main differentiating factor and identity.

Substantiating this finding, inconsistencies were further found in the collected discourses on the ethical dilemmas of profitability and their moral framework. This subject echoed a broad range of justifications, from seeing profitability as an opposition to their moral framework that they had to manage to a key parameter embedded in what they considered sustainability.

First, echoing the priority of their moral objectives, namely social justice and environmental protection, over their financial objectives was commonly found. In one radical case, a sustainability manager in an ethical bank described that if they were to lose their ability to reach their moral goals, then they could 'stop doing' what they are doing:

> *As soon as we can't make a difference, we would either stop existing or we would evolve, into something else. So, we are purpose-driven, and it's quite an interesting one because... our board members will openly say that if everybody, if other mainstream banks start doing what we're doing...there's nowhere else for us to go, then we have succeeded, and we can stop doing it*[35].

In this sense, the main goal is to achieve their moral goal, even if it costs them their organisation. In effect, this can be seen as the idea that an organisation is an instrument for their moral goals and whether the instrument fulfils this mission determines whether it is legitimate to maintain it. Such a perspective would respond well to the re-embedding of the economic dimension of Polanyi and offer a strong challenge to productivism.

In fact, the Polanyian argument was paraphrased in a collected discourse of a loan officer from an ethical bank, Sarah, describing how the 'economic dimension can take over quite easily'. This was argued on the basis that optimising processes and improving profitability leads to employing more people, which requires more salary and, subsequently, more profitability, creating a never-ending loop of economic growth. She saw this phenomenon as problematic since it leads to an overemphasis of the economic dimension that takes attention away from their moral objectives. This idea of a self-reinforcing economic dimension reflects well the Polanyian critique of a disembedded economic system, describing the phenomenon of the economic dimension taking over, prompting more attention to be focused on it until it completely subjugates societies to economic goals as ends in themselves.

While less radical, John, the CEO of an anthroposophically-inspired bank, saw profitability as something to be cautious about as it can lead to problems down the road if not carefully managed.

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[35] As previously outlined in the methodological chapter, when an informant can be identified with a quote, the name is omitted from the quote.

John: We have to think about profit, we really do, and in our strategy, that's one of our big things because we're not so driven by it, therefore, we must look at it very closely. Because it's one of the key variables of the financial model of a bank, you know, so we must be very keen, but as a variable amongst others and not as the key (variable).

This quote also contrasts with the idea that profitability is constitutive of their moral framework but rather sees profitability as something that could hinder their organisation if they were not careful enough. This shows how radically different perspectives within banks with similar public claims can be when discussing with informants, even though they are part of the same association that argues for representing banks that share the same moral goals.

However, even from ~~the perspective of~~ the same informant, inconsistencies were highlighted, as John later described profitability using the perspective of their survival over their morality, aiming to legitimise his bank, nuancing their moral framework.

John: It's always this difficulty to have everything that is coherent, whereas you are in a market that doesn't have the same driving force, so you have to survive. So, to survive, you also have to have a level of things that you have to do to keep afloat.

A perspective that John moderated by saying: 'we wouldn't make a loan we don't like... So, we wouldn't finance something that has a high level of pollution, for example, or whatever it is, you know, or that is exploiting something or someone. We simply would not do that'. While he highlighted strict boundaries, in terms of ethical perspective, his argumentation shows the conflict ethical banks face in view of modern markets that lead them to having to sometimes legitimate opposite practices within the same institution: in one case, having to survive within a modern framework that steers against their moral objectives, and simultaneously trying to challenge the modern framework. The inconsistencies in terms of arguments correlate well with the lack of clarity in their moral framework. A rigorous moral framework could help address this dilemma in a consistent way and protect against these forces.

Further echoing the discrepancies in terms of the use of central legitimising value by ethical bankers, the modern interpretation of sustainability and profitability problems was commonly found, such as in the discourse of Christa, a senior officer in an ethical bank, describing that 'it's either black or white and I don't believe in that, it's either sustainable or it's profitable, that's a hoax, it can be both and I think we are very much so'. Another informant, Elisabeth, a junior credit officer, described the perspective of her manager that sustainability is also about the sustainability of the economic dimension: 'once, my team manager told me, "When we say sustainable, we mean three criteria, including economic criteria"'. Moreover, Sean, a communications officer, decided to switch from his first position in an ethical bank to another ethical bank that focused more on the economic dimension. These three informants reflected the value of productivism as a parameter of sustainability, which, in other words, describes profitability as constitutive of sustainability (see Annex E1, comp_ethics&profits). This was put forth by Lenz & Neckel (2019), who found out that ethical bankers justified their profitability based on the good impact that they could have with the surplus as one sustainability manager from an ethical bank in this fieldwork described:

> *Julianna: We reinvest profits back into the business, and so that gives us the capital to lend more, and then we can have a greater impact. So, if we didn't make a profit, then it would be limited to the people who are currently part of our membership 'cause we wouldn't be able to reach out to others as well. But if we do make a profit, the capital increases, and we can lend more.*

Therefore, profitability was simultaneously described as constitutive to their moral objectives and opposed to them. Similarly, their activities were sometimes motivated based on the moral value of productivism and sometimes based on social justice and environmental protection.

An illustration of these fundamental moral oppositions found in ethical banking that run contrary to their historical roots but in line with Lenz & Neckel (2019), profitability, was used to justify decreasing the radicality of their moral framework. In one case, an informant described how a subsidiary of her bank offered an investment product that she described as 'dark green', but the portfolio had to be hedged by investing in gold, which she found ethically unsatisfactory, yet describing '(continuing) to invest in gold for the sake of portfolio diversification'. In another example, loan officers from the same bank described abandoning their criteria for mortgages because they were too complicated to implement and required the help of architects to answer some questions, such as questions related to the energy performance of the building and because they 'also have to survive'.

Refusing mortgages on moral grounds is likely to be less beneficial in terms of public perception. Indeed, mortgages are targeted at their core population of individual clients who they rely on to fund their activities, creating a risk of dissatisfaction with their client base if the criteria are too high. This discourse highlights the interplay between their historic moral framework of rejecting productivism and their current environment of stakeholder engagement and market conditions, leading ethical bankers to justify their actions using the value of productivism rather than socially or environmentally motivated arguments. This overturn in values does not reflect their historical roots nor their publicly displayed content but is in line with a modern interpretation of banking, reflecting the pressure of modern markets to survive.

When ethical bankers are confronted with seemingly incompatible choices between their moral principles and the need to remain financially viable to survive, there is a potential for a rapprochement between their ethical framework and modern principles, such as those of sustainable development, as evidenced by the findings of this research. As one informant put it during the fieldwork, when discussing the mechanism of using economic capital accumulation to produce services and products: ‘we shouldn't throw the baby out with the bathwater’. The inherent interplay between having values that challenge productivism within a banking system based on productivism was associated with inconsistent discourses and moral frameworks that made it difficult to understand what ethical banks really valued and, consequently, what their moral identity was. This is particularly problematic as ethical banks define themselves because of their niche moral framework, which is supposed to be an alternative to the main framework.

In fact, in the dimension in which ethical banks did not have market pressure, their moral framework appeared consistent, which substantiates the importance of market pressure in the change of their moral framework. Indeed, the discourses collected from the perspective of their financial growth were consistent both in terms of priority and in terms of consistency. While Lenz & Neckel (2019, p.138) found that ‘growing customer deposits and lending activities are first of all seen as encouragement for (ethical banker’s) ethical concepts’ as discussed above, this was not supported to the same extent in this fieldwork.

For example, a loan officer at an anthroposophically inspired bank described how they should grow ‘step by step’ to maintain the ethical banking perspective of freedom and their long-term perspective.

Lucy: (I)t's also like the topic about growing. How do we want to grow? Because then you must ask the question. If we grow faster, then we can reach more people and then we can help the world more or whatever. And I think there we must be careful like step by step and still maintain our freedom and like… How can we act for the longer term, not just for the moment? Just like a relationship, which should be cared for the long term: that's what we want to get in the end.

This discourse prioritised moral values such as freedom and the importance of fostering human relationships, even in the perspective of potential growth that could help them reach more people. Lucy explained how growth should be seen as supporting the ethical model and not the other way around, as discussed by a senior communications officer of an ethical bank who asked: 'What is the right kind of growth in line with our values?

In practice, this does not mean that ethical banks are not growing - indeed, as discussed in Chapter 2, they have experienced high levels of growth since their inception, particularly since the subprime period, which supports the ability of ethical bankers to engage in this kind of discourse. However, while ethical banks remain very small banks[36], their small size was commonly valued by their employees in terms of proximity, connection and ethical ambition as well such as explained by one sustainability manager:

Julianna: Be bold and ambitious and try new things and maybe take some risks and agitate the system a little bit and try things and if they work then the mainstream banks can do that too, you know and we can try and keep moving on to the next thing so but and you can only really be small when you do that because, you've got to be different, small and different. There's not enough of different stuff to be big. I would say we want to be kind of on that edge.

This is also what has motivated them to focus on managing the level of profit in a way that remains constant over time, to remain focused on their principles.

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[36] For example, ABN Amro, the largest bank in the Netherland, had more than 20,000 employees in 2020, while Triodos Bank, the largest ethical bank from the GABV –also located in the Netherlands – had fewer than 2,000[36].

Julianna: (S)o we have this notional, sort of sense of what is a fair amount of profit between what current generations are doing and what our next generation of borrowers are next year, or the year after is going to be able to experience so our profit doesn't often deviate too much.

Julianna's discourse referred to profitability as a resource to be carefully managed to support her ethical model in the long term, rather than something to be maximised. Thus, while sustainability principles are discussed in modern ideology as an idea that helps firms become more productive and increase their chances of remaining competitive in the long term, in this case, the relationship is different: lower productivity is used as a way of becoming more ethical rather than competitive.

In fact, actively limiting growth was also described in terms of managing their popularity by another informant who explained that they "can't be too well known because otherwise we would be inundated, so we've always got to manage our profile not to be too popular" (see code trend_attract in Annex E1, which describes a frequently stated attractiveness of the ethical bank model). This informant described how they preferred to take a manageable approach to their financial goals rather than taking advantage of all the opportunities available to them but risking uncontrolled growth. Such a risk was linked, for example, to ethical informants saying that with growth comes the need to recruit new employees who need to be familiarised with the values. This can be problematic if there are too few senior members of the bank to convey the ethical perspective.

Growth in the financial dimension was not motivated in terms of competition also, which would reflect the legitimising value of productivism. This was the case for one of the first ethical bankers interviewed, who described how she did not see her bank as aiming to beat the competition, saying: 'I don't think the goal would be to become the kings of banking (laughs)'. This was also often discussed in relation to the growth of the bank, as described by an HR director of an ethical bank who stated that 'it has never been a goal to be big [...] so we just take it as it comes'. The same discourse was repeated among the ethical bank informants who discussed growth in this fieldwork, expressing a desire for a slow kind of growth rather than growing as much as possible. In fact, the latter quote shows the lack of pressure that they experience in the context of financial growth, explaining that they 'take it as it comes', which outlines well that they do not lack opportunities for growth. This shows that consistent discourses in ethical banking can be found in terms of the argumentative repertoire and the type of moral value emphasised. In fact, different values were highlighted in this case, such as caring relationships, intergenerational fairness in terms of a fair distribution of profitability, or freedom from economic constraints. Moreover, even when legitimising growth, the argument motivating the growth of the bank related to the moral values and not necessarily the growth of the bank in terms of affluence, but rather in terms of influence, arguing that 'if the model spreads, it's good for the model, good for the people and for the world if the model spreads'.

Hence, the differences in the consistency of the discourse on growth compared to the previous discourse correlates with the lack of pressure ethical banks experience in terms of growth, reflecting the argument of Lenz & Neckel of their popularity since the subprime crisis as an alternative to the modern system which has suffered in terms of public perception. This situation means that ethical banks experiencing a significant amount of financial growth translates into fewer market-based imperatives and, therefore, fewer ethical dilemmas with which their moral framework conflicts. This could reflect the loss of identity of ethical banks and the broadening of their moral framework in response to modern market pressures found in the other dimensions.

5.2.2 Integrating Cost as a Social and Environmental Strategy

One distinction between the ethical banking discourses and the modern interpretation of sustainability was considering their moral objectives as a cost that precludes the maximisation of profitability. In fact, even in the previous examples linking sustainability and ethics, it was still presented as an opposition which had to be managed. This does not echo the modern interpretation of sustainability increasing profitability further by expanding market opportunities, increasing marketing value and decreasing their risks.

Illustrating the ethical banking perspective, two board members from different ethical banks justified their model using organic farming as an analogy to explain their views on their processes and goals.

> *John: if you take fruit for example, then it's more expensive or less expensive depending on quality and the pollution and exploitation connected to it, so that's... I would say the same is true for banking because what*

we do is we have a lot of speaking time with our customers. It is a very important thing and here we are so inefficient… Extremely I would say.

As in organic farming, not seeking to maximise efficiency was described as contributing to their ethical model. They described how integrating inefficiencies was constitutive of what made them specifically ethical and able to consider relationships in a way that created more solidarity and less risk, much as organic farmers were able to consider relationships with nature by foregoing certain methods and products. The emphasis of care fostered by inefficiency was commonly found, such as another informant who described 'talk(ing) to the clients for four hours […] which is, in a strict sense, in the conventional sense, not economic, but we feel that it's sustainable economics. We do not feel economic, but sustainable'. This valuing of inefficiency to cultivate care in relationships will be further discussed in Chapter 6 as a pillar of democratic governance.

In fact, similar to organic farmers, ethical bankers explained offering the same product as modern banks but labelled respectful of the environment and people, such as a retail officer described how 'the products themselves can be the same, but it's the moral dimension behind it (that differs)" as illustrated in the recurrent theme of *motivation* (see Annex E1, motivation, frequent references to being motivated to perform well for their institution). However, and like the story so far, inconsistencies were collected during the fieldwork, such as a loan officer that described missing opportunities as a cost they accept as it allows them to consider their loans carefully: 'when they call us asking 'I need an OK for financing by the end of the week', we tell them it's not possible'. She explained that they missed opportunities with their relatively long processing time to come to a decision on a loan, however, these missed opportunities were seen as part of the inefficiency constitutive of their moral framework and goals, allowing them to process loans in their own way. This was valued in terms of risk management, as it allowed them to take the time to assess risks 'even in straightforward cases', which refers well to the associationist approach of being very cautious about funding risks.

Yet, these considerations were found to not be spared by market pressure, since in the same bank, an informant described how they had streamlined processes for loans of up to half a million euros, which she valued for the sake of being able to lend quickly: 'we have a fairly light structure and we can react quickly, which is appreciated and that's perhaps where we make the difference for small amounts'. This further reflects inconsistency in the discourse of John when he described simultaneously valuing inefficiency to promote caring relationships, 'but at the same time, this is a factor that we lower our risks by having good connection for example', therefore also emphasising the financial value of these relationships within the same moral framework. Later, when asked 'how do you survive at the moment' he explained their survival strategy emphasising 'not by pressure but by process efficiency, so we make processes much leaner, faster and yes and actually the effort is growing new loans'.

In this case, this reflects how inefficiency and efficiency were simultaneously valued, in one case because of their moral framework and in another because of financial grounds. In a moral framework based on productivism, inefficiency and efficiency could be valued for the same moral argument, for example, by emphasising how some types of inefficiency lead to greater solidarity, which is constitutive of their economic model, as this can lead to less risk of default and loss when risks are realised, similar to their associationist roots. Based on a care-based moral framework, inefficiency and efficiency could also be evaluated on how they contribute to care between relationships, focusing on increasing efficiency where it has little or no impact. However, this fieldwork collected different moral justifications that led to different outcomes, with cases which indeed challenge productivism and others that align with productivism.

Another important part of constitutive inefficiency regarding its contribution to the moral objectives of ethical banks pertained to the funding of marginalised, risky or uneconomical projects that were aligned to the goals and mission. In the previous chapter, this was described as a fundamental reason for creation of ethical banks. In fact, these types of projects are inherently reducing their profitability by either increasing their costs when they are uneconomic or decreasing their margins when they are not as profitable. This perspective on supporting innovative projects was also found in this fieldwork. To illustrate, a team leader in the back office of an ethical bank articulated the view that his institution had a duty to provide funding for projects that did not generate sufficient revenue to cover their costs yet were deemed to meet the ethical standards of the bank. He described these projects as frequently being submitted by individuals with relatively limited wealth, thereby outlining the need to address a social need. Given the extensive processes involved in the approval of loans, including interactions with customers, risk assessment and the management of administrative tasks, only loans above a certain threshold become profitable for banks unless they adjust their rates or processes accordingly. Consequently, most banks are unlikely to accept loans below a certain threshold. Nevertheless, he put forth a deontological argument for their role in assuming the responsibility of funding such projects. This discourse was echoed by a sustainable officer of an ethical bank, who described their duty in terms of funding, expecting nothing in return, in respect to their moral objectives.

> *Julianna: We see our role as part of feeding that pipeline of working with the client, the members at the risky stage, taking them through this part and then once they've got through that and they've stayed with us a little while and they're starting to reassess then fine, that's OK (if they) go elsewhere.*

The collected content outlined that this also applies to types of projects that are neither risky nor uneconomical but innovative in terms of sustainability and, therefore, difficult for most organisations to understand and find funding for. Some ethical banks described how they have a deep understanding of specific sectors, such as La Nef, which target companies that identify with the social and solidarity economy: '(La Nef) invests in the social and solidarity economy (SSE), i.e. in companies with cooperative, associative or mutualist status, or with a solidarity-based purpose' (La Nef, n.d.-a paragraph 1). This also relates to specific techniques, such as self-built housing in the case of the Ecology Building Society, or solar energy, as mentioned by a board member from an ethical bank:

> *We had a customer wanting to install 40 photovoltaic panels on farms and he wanted a loan package. He spoke to (a modern bank) about it and they don't even know how to approach the case, whereas for us (it's a standard case). That's where we stand out again.*

These latter examples demonstrate a clear alignment with the original justification for the existence of ethical banks, as discussed in the preceding chapter. They illustrate a commitment to providing funding for projects that would otherwise be unfunded in traditional banking and reflect a sense of duty to act in accordance with their moral objectives.

However, other collected discourses in ethical banking nuanced this perspective compared to what was described in the historical perspective. Indeed, funding initiatives such as 'start-ups with innovative products in ecology, business management or similar areas', as described by an informant, was argued to be difficult within the scope of banking. To illustrate, another informant detailed that these projects needed at least three years of activity to prove that their economics fit the financial criteria of her bank.

> *Elisabeth: We finance some start-ups but with quite a few external guarantees behind them, but it's true that otherwise we only finance activities that are already generating income. And that's all start-ups, the very early stages when they're still developing products... And ideally, it's true that we'd like to aim for 3 years of activity so that we can see how things are going.*

Indeed, the banking approach in terms of risk management was commonly described as opposed to funding innovative initiatives. This was especially related to regulation, as a reason why ethical banks cannot realise their full ethical mission since they can only reach projects that are profitable and secure (see Annex E1, comp_regulation, relating to frequently discussing an increase in the competitive environment due to regulations). This argument was put forth by Bill, the CEO of an ethical bank, explaining the banking model and how it inherently limits their entrepreneurial drive to support alternative projects.

> *Bill: You know there's also a cultural thing, you know when you're a bank, you must be rather conservative because you're regulated and results in kinds of rules and governance and your hands are tied, you can't just… You, there's a limit to how entrepreneurial you can be. There's certain… Well, let me put it a different way. There's a limit to how much risk you can take. You know there aren't very many banks that are venture capital backed because the regulator doesn't want banks to take on a lot of risk.*

In fact, ethical bankers described their possibilities as limited for funding innovative sustainable services and products, often requiring the creation of dedicated entities to encompass such ventures, relegating this type of funding as a side activity. Indeed, supporting such projects was commonly found to be achieved by setting up separate organisations to fund high-risk projects. Historically, this was exemplified with Triodos Bank setting up a venture capitalist entity to fund the first wind turbine in the Netherlands. Currently, other examples include the Alternative Bank of Switzerland, which has a dedicated association called the 'innovation fund', designed to finance high-risk projects and start-ups, meeting their ethical guidelines. This also includes the GLS Bank, which has initiated what it calls the 'GLS Start Up', which offers funding as well as networking and advising opportunities (GLS Bank, 2018). In fact, despite the original mission of ethical banking, helping clients at the riskiest stage is currently mostly outside of the scope of banking activities as this does not meet the usual regulatory criteria in terms of risk assessment, relegating the funding of these initiatives towards business angels, venture capital, impact investments funds, or public funds. This high-risk, low-financial reward approach to loans, driven by moral goals, does not bode well with the cautious regulatory environment in banking designed to limit systemic risks due to leveraging capital.

Ethical bankers discussed these restrictions as linked to the specific regulatory environment of banking that precludes the funding of projects that do not meet certain financial requirements, such as Elisabeth.

> *Elisabeth: Sometimes there's always this tug-of-war between the two. The number of times I hear about brilliant or fantastic projects, but things that are so good and at an individual level you really want to support and carry this project and... Then you're stuck with the numbers.*

A communications officer explained that she was in politics and decided to go into ethical banking to be able to be on the field and more impactful. Yet, she also described her transition as being frustrating due to the restriction linked with regulation.

> *Elena: I do actually feel extremely restricted here. And it's not like you know the board wants to restrict me. But it's a lot of bank regulation that keeps us working on bullshit, seriously. I mean we spend so much of our time looking at "oh, can we run this website or are there any compliance issues against it?" You know that is that is one part of the things that are really no fun about working here. And I just talked to our leading head of the board or speaker of the board what he had to say about it, and he said, his three last board meetings were about nothing but regulations, and he hated it. That's really tough.*

Other examples of this relate to a loan officer describing that if a project did not meet the financial criteria, then that would be 'it', meaning that they would not finance it, or a retail officer who described that: 'we are still a bank and we must respect the legal obligations of a bank'. While one loan officer described attempting to provide guidance to projects, offering advice on ways to adapt projects that would not meet banking criteria in order to identify alternative solutions for those aligned with moral principles, other examples demonstrated an absolute stance with regard to such projects, such as Maya who explained that being refused by other banks was a signal for them 'that there are financial difficulties or that the project is too risky'. This was further illustrated by Sarah, a loan officer, who explained:

> *Sarah: Usually, (customers) think that because they've been refused at another bank, we're going to fund them here. But we're not a social bank that supports everyone (laughs).*

What was once their *raison d'être*, was not found to the same extent in this fieldwork. Some discourses reflected this idea of funding projects that would not otherwise be funded well, but today, as a board member of an ethical bank described: 'I think that's less the case today than it was ten years ago'. To her, there is less and less space for them to be a *niche*.

Rather, their banking model was found to be increasingly defined in terms of exclusivity, specifically excluding what they consider harmful. For example, La Nef described the distinguishing feature of social banking was the strict limits to its operations to solidarity finance.

> *While many mainstream banking institutions offer social finance products (often labelled by the Finansol association), they cannot be said to be social banks. In fact, a social bank is an institution whose raison d'être is to be involved ONLY in social finance and therefore to finance only projects that have a positive impact and are committed to the environment (La Nef, n.d., paragraph 2).*

Thus, current ethical banks indeed reflect the description by Lenz & Neckel (2019) of an ethical banking model that limits business practices rather than enabling them. While ethical banks initially opened new funding opportunities for alternative projects and organisations and were thus historically business enablers, the collected discourses reflect a different model that is no longer as niche and innovative as it was at its start.

John described this context when he contrasted their model in a high-income country compared to a low-income country:

> *John: You will hear a lot about "we shouldn't pollute, we should prevent" but what should we do ? We should find good project. Yes, we do that, but others do as well, so what is it? I feel in a centralised market like*

> *Europe, North America, there is a lack of knowledge of what we are doing or should do. In like Serbia, Palestine and so on, it's clearer, people make a lot of effort to get to the root of banking. (There are) problems there (that need to be addressed such as to) give small loans to women to start their business, that's obvious you know. So, there's a real mission there, just practical. In our centralized market, we're working, so everyone has everything so what's the problem with banking ? So, there's actually no needs, you don't see the needs. You just see you can select.*

John identifies the substitution of the care system, as argued by Polanyi, with a capitalist system that cuts care relations out of the social system to replace them with financial ones. But he also identifies a similar narrative that this fieldwork outlines: the loss of identity of ethical banks. For John, this is linked to a lack of need for ethical banks in high-income countries. However, some parts of this innovative side of ethical banking remain, such as the Ecology Building Society, which is one that specifically emphasises self-build housing in the UK, which can be difficult to find financing for.

Social and environmental imperatives still exist and there are important reasons for any organisation to try to find innovative ways to tackle these challenges. Yet, so far, the collected narratives outline the difficulties experienced by ethical banks, correlated with a loss of identity and a lack of clarity in terms of moral framework, that possibly threatens their ability to realise their historical raison d'être.

5.2.3 The Role of Moral Values to Motivate Ethical Bankers

A fundamental dilemma between financial objectives and moral objectives in banking pertains to the remuneration system, which is commonly used in modern organisations. Specifically, linking the level of remuneration to the level of production of each employee is an important strategy to create motivation and maximise the profitability of banks. Bonuses are used in modern organisations as a form of imitation of how competitive markets work, dynamically rewarding behaviour that contributes to more short-term productivity in a salary-based position. As it contributes to the productivity of the bank, it is common to offer financial incentives to bankers to improve financial performance (Razul et al., 2023). Incentives can take the form of bonuses linked to performance or high salaries to attract the best talent. This is in line with the modern ideology described above, where employee conditions are designed to improve the financial performance of the institution. However, ethical banks from the sample commonly described an opposition between financial incentives and their moral framework, prompting them to abandon such a reward system (see Annex E1, motivation_remuneration, relating to feeling motivated by something other than remuneration).

Indeed, all the ethical banks in the sample described a policy of avoiding performance-related pay to avoid selling products to customers that are not beneficial to them, such as "[the ABS being] committed to […] operates without a bonus system" (Alternative Bank Switzerland, n.d.-a, section 'Employees: Equal opportunities and fair salaries with no bonuses'). In fact, even the Umweltbank, the only listed bank in the sample that could be interpreted as having a greater incentive to be productive, described a "(f)air remuneration system without performance-related compensation" (UmweltBank, n.d.-a paragraph 1).

In this sense, the discourse found in ethical banking was consistent, further outlining the difference in power between market pressure and other forms of pressure. In other words, internal processes are easier to protect against productivism and align with their moral framework than external factors that are out of their control. In this case, the type of moral values used to justify their lack of financial incentives aligned well and were linked to values such as equality, solidarity, as well as integrity in their relationships with customers to service them better, such as the GLS Bank (2022, p. 25) describing 'our clients and consumers are not talked into financial offers and products that are inadequate for them'. Thus, by focusing on the disconnect between remuneration and production, this narrative emphasises the abandoning of instruments that can help ethical banks to be more productive and competitive in a way that is in contrast to the idea of modernity in the banking sector.

Furthermore, the lack of a bonus system was also linked to the moral framework in terms of encouraging intrinsic rather than extrinsic motivation. Indeed, remuneration was often discussed as a form of support system for ethical bankers, helping them to live comfortably rather than aiming for a luxurious lifestyle; as Theodore, a back-office team leader, described: 'Money brings all sorts of emotions [...]. If you're into luxury or sustainability, it's like opposite ways of thinking'. This was identified as a key feature that distinguishes the ethical banking narrative and one that is important in terms of recruitment, as highlighted by senior ethical bankers who ask in their recruitment process: 'Are you externally motivated by your salary or a big car or whatever? Then you won't be an employee because we don't have those things. [...]'. A human resources manager at an ethical bank echoed this perspective when she explained that 'when I recruit, I often say that you may not earn as much as in the same position in another bank because we don't offer high salaries', thus ensuring that money is not the reason for choosing them. Indeed, ethical bankers discussed their pay as 'sufficient', 'good' or 'very decent'. In this way, they described feeling secure but not motivated by their salary, echoing the view of a CEO of an ethical bank, that the salary is there to allow people to contribute to realising the mission of ethical banks.

> *Christopher: I see labour as a contribution to an organization to do sensible things […]. And to do that, I need an income because I must feed my children and things like that […]. And all the coworkers should have the same basic income whether they are president of the board or whatever... The same income. That's the basic game.*

In this fieldwork, remuneration was indeed described as a support system and not a motivation system. In this sense, the mission of the bank was described as the central motive for ethical bankers, rather than the value of productivism, in line with the above shift in priorities and offering an alternative social structure of productivism. From the perspective of employees, this intrinsic motivation indeed emerged as a recurring narrative, with bankers describing feeling motivated *despite* their level of pay, such as Sarah, a loan officer:

> *Sarah: I don't think any of us are here for the salary, so clearly, I could have earned more with another bank, but that's not what I wanted, and I find I'm already earning a very decent living here.*

A discourse echoed by another loan officer, who explained that knowing that their work had 'meaning' was enough for her to feel motivated.

> *Maya: We do our job as best we can, knowing that what we do helps to finance (a sustainable economy). We know we won't get a bonus, there's no profit-sharing bonus, there's no 13th month and so on. So, it's true that salaries are much lower than in a traditional bank. You don't get all the bonuses that you might get in a traditional bank.*

Indeed, she explained what motivated her to be productive at work was linked with non-financial factors, such as "helping to finance a sustainable economy".

The important motivation factor of the moral framework was further substantiated by the fact that the working conditions were commonly described as facing the same problems as any other bank in terms of work-life balance, such as a human resource manager described: 'I think in some way I think we are just like other banks. We also have employees with stress symptoms and a lot of work' but emphasised that she's 'never seen as good an engagement survey as I've seen in our company and it is […] because they feel like they do something for the world' (see Annex E1, hie_ethics, which shows how ethical bankers describe their moral canvas in a hierarchical way compared to other moral canvases).

The stated motivation, even though it did not result from financial incentive, was described as so strong that some explained sacrificing their time by often working overtime. One communications officer, Elena, for example, explained that they were deeply committed to their institution and worked well beyond the number of hours they were required to, saying that within her team she took part in what she considered to be an excessive number of 'evening talks' per year compared to what she was contractually expected to do, stating that 'we all are extremely overworked because we work for something really good and there's no stopping us and that often has a really bad effect on our lives. If we're honest, you know, is it's not like we're totally pushed to do it, but it's a lot of fun to work here so we do it and we do it a lot'.

Many echoed this discourse, such as Grace, who explained that: 'specifically the people from the credit department, feel so much sense for their work that they won't say "no" to a customer and so it's easier for them to just do some things on Saturday than saying "no"', or those that described a special identity alignment to the bank, such as Elisabeth. She explained that when she found the opportunity for her current job, it was a 'revelation because I didn't know about such a bank before' and explained that 'it fits in with everything, I believe as a person, with my studies, this is really what I needed'.

In fact, for some, their identity merged to ethical banks so strongly that they described not seeing themselves working for other types of companies, for instance, stating that 'I could never do what I do for another company, only for a value-driven company', akin to a sustainability officer who explained that she 'could not work at an organisation like that' when describing a modern bank. The merging of identity between ethical banks and their employees was underscored by Nick, a communications officer who described 'a coherence between personal beliefs and those that the bank aims to achieve and for me, they go hand in hand', which is nurtured by the bank activities giving sense to the everyday work ethical bankers do. In this regard, the connection to what they contribute to doing was often stated as an important motivation.

> *Elisabeth: When a company describes to you what it does […] that's where you really feel the values and you tell yourself that you're really going to be able to encourage projects that really make sense, very concrete things, from the local sustainable grocery shop, to the farmer who produces his milk, to the company that makes photovoltaic panels that can supply an entire building with electricity, or companies that support people with disabilities... That's really where you tell yourself that you're helping businesses that really mean something. It's not empty words. It's not a bad thing, it's all positive. That's really where I live the values to their fullest, this participation at my level, with my job, of being able to encourage a real economy that makes sense and is sustainable.*

In one case, a bank described creating specific activities to encourage this feeling described by Elisabeth. This was related to the context of back-office employees, who are usually deliberately separated from customers to maintain their impartiality in loan decisions and, therefore, do not have access to the sentiment of interconnections with the customers. Indeed, as they are the ones with the final say, they are supposed to be rational, which is promoted by separating them from the clients. Nevertheless, a back-office manager described visits to customers offered to employees in the back office, leading one colleague to experience it as a transformative event:

> *Theodore: (when she came back) she said that she felt quite different... Because she said that sometimes a client is like a number, we have a lot of clients... And then after this (visit) it was very different. It was a name. It was a person; it was a person. Yeah, this was a very strong experience. She was quite new in my team, and I think it was her first direct visit to the client and I think for her it was a strong experience that changed a lot if you meet the client.*

In the fieldwork, this further echoes the reversal of priorities between the values of productivity and sustainability. This aligns well with Story & Neves (2015), who define two types of narrative when it comes to integrating moral principles of sustainability in companies. The first narrative relates to 'inauthentic values', defined as the instrumental integration of sustainability, that is, the narrative of modern ideology that integrates sustainability to achieve other goals, such as greater profitability or better reputation. In contrast, the collected content of ethical banking described the use of banking tools to achieve the goals dictated by its moral principles, such as preserving biodiversity or developing renewable energy. In this way of integrating moral principles, only the 'instruments' (the banking tools) are instrumentalised, which is defined as authentic (ibid.). Thus, by emphasising a moral canvas, ethical banks create an image of the banks that is authentic, which allows them to create intrinsic motivation for bank employees, as illustrated by an ethical banker 'I think (the bank is) a community in the sense that everybody feels connected because they share this sense of being part of the mission'.

Hence, even though informants did not get any financial or material reward for participating in the mission of the bank, informants commonly related to a feeling of personal achievement when they described contributing to the moral mission of the bank. From a social psychology perspective, this can be related to the feeling of positive association between the moral framework of the bank, which is socially morally valued, and the construction of the identity of ethical bankers (Haski-Leventhal et al., 2017; Oyserman, 2015); a fact that is supported by ethical banks that dedicate an important amount of resources to finding the right person, whose identity fits the identity of the bank. When this is not the case, it can be grounds for termination, such as echoed by Julianna, the sustainability manager of an ethical bank, explaining how reputation was, in fact, their biggest risk: 'the reputation thing is really important and you do have to practise your values in public', reflecting expectations in terms of disposition when she described a case of misalignment with a director driving a Porsche as an example of someone who did not fit the moral framework.

> *Julianna: We had one director once, who, non-exec director who, drove a Porsche, right? (laughs). He was an architect and he drove a Porsche, but he didn't last very long. I think he realised that he was in the wrong place. He parked his Porsche a long way away from the place.*

These narratives further substantiate the link between the private identity of ethical bankers and their institution, in which individual identity is framed by the moral values of bankers.

Finally, in terms of motivation, such a rapprochement between individual identity and the role of bankers was highlighted in the theme of recruitment. Indeed, the lack of financial motivation and the ability to create conditions as good as modern companies means that ethical banks rely on motivating their employees on the grounds of their moral framework. Therefore, choosing the right person is crucial for ethical banks. For example, Christa, a senior manager, described her recruitment process as 'all about the values' and expressed that she asks personal questions of potential recruits.

> *Christa: 'What kind of values did your father or mother give to you? What kind of values were you brought up with that you decided not to take with you?' So, then you get this idea on how the values are for you personally, or questions like "suppose you are retiring from our bank, what would you like other people to say about you? What kind of person you were within the bank?" All questions are about the values. And then we try to connect the values of the bank with your personal values.*

In one case, she mentioned choosing not to recruit someone because she felt he was too dogmatic, seeing the world in black and white, which went against what she interpreted the identity of her bank to be. A discourse echoed by another ethical banker involved in recruitment. Molly, an HR manager, explained that she did not focus her expectations on a specific set of values but on openness towards the moral values of the bank and a conviction towards the structure of the bank.

> *Molly: When I recruit, I talk to the employees about our values and make sure that they are not scared of it. I tell them that you don't need to be vegetarian to get a job here, but you just have to be curious, so you must think that this is the right way to manage a bank. But still, you don't need to be perfect.*

In both cases, the recruitment process reflected a correlation between the identity of the person and the identity of the bank, which needed to be aligned. In both cases, the emphasis was not on material attributes in terms of behaviour but on dispositions and values, which further reflect the sense of identity assessed in this recruitment process.

In fact, this was also found in the discourse of other ethical bankers who were recruited without having the qualifications for the role they were hired for, referring to other criteria being more important, such as those mentioned by Grace and Molly. This was the case for Maya, who explained that she didn't come 'from a banking background at all' as she 'originally wanted to be a teacher', or Stephanie, a communications officer, who described that:

> *Stephanie: in our bank I think we have more people who come from other fields that those who come from the banking sector. For example, I am a journalist. I worked as a journalist before I came to the bank. We have political scientists; we have people coming from many different fields and they have no clue about banking when they come.*

Therefore, in the context of challenging productivism, the fieldwork outlined a correlation with the abandonment of financial incentives, which in turn creates an imperative to link the identity of employees to the identity of ethical banks. This contributes to informing on the ways in which ethical bankers described challenging productivism and the influences it has on their activities.

5.2.4 Maintaining an Alternative Identity: The Case of Spirituality

The imperative of creating a moral alignment between the bank and its stakeholders was highlighted as a challenge regarding anthroposophy, especially as banks grow. Indeed, finding morally aligned individuals who could be motivated to work for the moral objectives of the bank is easier when they are secular, which shows the multidimensional modern pressures faced by ethical banks.

Indeed, it was previously argued that the public perception of anthroposophy was not favourable, partly because it was considered a sect in France in 2005 and partly because of its opposition to the secular conception of the modern interpretation of economic organisations. These difficulties were indeed discussed by anthroposophically inspired bankers during the fieldwork.

> *If we talk about anthroposophy and we mean what we mean by it, others take it as an ideology, as a set of values that's given or a church with strong ways to see things about it. That's not what we want to tell. We have a discrepancy between the sender and the recipient of the information. What we say or what we tell is not what people hear and that's a problem that we don't know how to deal with it presently I would say.*

Moreover, the difficulties of having a public image associated with anthroposophy were indeed noted during this fieldwork, as outlined in the quote above, where it is difficult to inform the public about anthroposophy because it is seen as dogma. An informant further referred to this context by explaining that 'journalists attack anthroposophy by quoting Steiner's words, decontextualised [...]'. Indeed, another anthroposophically-inspired banker explained that he feels strongly about people who see his spirituality as dogma:

> *So, if (anthroposophy) was really seen as an ideology: out of the door (pointing at the door). If it is seen as a living element within every human being as a kind of a deeper understanding of oneself and of the world then I say yes, that's fine.*

By dissociating the spirituality of anthroposophy from dogma, the perspective towards anthroposophy is distanced from a sect or a religious institution and instead associated with a secular philosophical movement, which is more in line with the modern expectation of secularity in economic organisations. In fact, a senior manager of an anthroposophical bank explained that they never use the word anthroposophy. In fact, she explained that when she was recruited, she was told: 'we have anthroposophical roots, but you don't need to know anything about Rudolf Steiner. You don't need to read his books, this is the essence from where we come from, but it's not who we are'. She continued explaining that this was the reason why 'the word "anthroposophy", or anthroposophical bank is never used within our bank, never'. A discourse echoed by a human resources manager of another anthroposophical bank.

> *We talk about where it comes from. I don't think it's so big. It's like, it's just the way we started. So, the employees know where we're from and how we started. But it's not something we talk a lot about.*

For some, therefore, anthroposophy was simply their history, but for others, it continued to be important and inspiring.

> *You see a lot of things that are typically anthroposophical roots. Like our Monday morning meeting where we open the week with all the coworkers of the bank […]. And I know from anthroposophical healthcare institutions that they have these rituals too. So, there are these things that are super typical, but they are not named like that.*

Although anthroposophy was influential in the creation of the current ethical banking movement, the collected content rather reflects that ethical banks are trying to distance their public identity from it, although inspirations from spirituality were still found. This further shows how important it is for ethical banks to pay attention to the attachment of employees to the values of the bank, as outlined by Neves & Story (2015). This helps to explain the strong emphasis that senior executives and HR managers of ethical banks place on intrinsic motivation and values alignment when recruiting new employees, as well as on creating a relatable and authentic identity of the ethical bank. As a result, it also highlights how challenging productivism creates other motivational imperatives not related to financial incentives that are possible in banking, potentially highlighting a strong effect of motivation, especially in terms of alignment between the moral values of the bank and the sense of identity and social reward it creates in ethical bankers.

5.2.5 Cross-subsidising to Support the Ethical Model

Ultimately, the balance between challenging productivism, motivating employees and maintaining a business model that has allowed ethical banks to survive is best understood in terms of cross-subsidisation, which is discussed in this section.

Thus far, the collected content on ethical banking has demonstrated how the moral framework of productivism is challenged. This includes managing financial parameters in accordance with the ethical principles that guide the operations of ethical banks and utilising banking instruments in ways that may result in a reduction in profitability but support projects that are aligned with moral principles. Consequently, this approach transforms the relationship between ethical bankers and the organisation from a purely economic one, typical in the modern sense, to a broader relationship involving a strong sense of shared ideals.

While informants described challenging productivism by limiting their opportunities, efficiency and managing their financial growth, it was also common for ethical bankers to emphasise sustaining costly operations, which they saw as constitutive of the sustainability of the bank and using high-profit projects to fund them, in contrast to the discourse of sustainable development by the UN, which includes profitability within sustainability. The practice of transferring profits from one dimension of the business to fund costs in another dimension of the business was referred to as the practice of cross-subsidisation, which is based on solidarity.

Substantiating this perspective, ethical bankers recognised the solidarity that exists between their stakeholders and the banks, such as argued by Aloma, a communications officer of an anthroposophical bank.

> *Aloma: Of course, we have a trust that we can work with, exist with, work economically with, which is true, because it works well. But it's not like we want to make money and that's why we are nice, but it's we are truly interested because we are truly also inspired by the people.*

She indeed linked this solidarity to the way they narrated emphasising a moral framework before their productive factors, motivating ethical bankers to be especially cautious in assessing the motives of their loan customers during the loan process:

> *Maya: We ask our customers why they chose to come to us at first: 'Why this bank and not a traditional institution?' The reason is that our rates are a little higher for loans, so we ask ourselves why the customer came to the bank. Is it because the client has been turned down by other traditional banks, or is it because the project is something that's close to their heart and in line with their values and they want the bank to finance it? So, we try to have a short discussion with the customer about their motivations.*

For Maya, the motivation of a customer to work for the bank must be the result of a shared moral framework; otherwise, it could mean that the client has motives that could be a risk for them. In fact, this also echoes the account of one public discourse, Triodos Bank, which described 'evaluating the motivations of the people behind companies, organisations and projects'[37]. In these examples, the assessment of the motives of their clients is a part of the loan process before considering funding opportunities. In fact, this idea of reciprocity of moral framework is crucial for ethical banks and was even argued in their business

[37] Triodos Bank (2022), Minimum Standard, p. 2

strategy by the CEO of an ethical bank, who described how a profit-driven mentality was riskier to their business model since it would lead to less reciprocity in case of problems.

> *John: If we have customers who are inspired by making a windmill for example, then we'll say, 'okay cool, make a windmill', but if someone says he's inspired in the profit of the windmill then we'd say, 'no we don't do that'. Profit driven is always a risk factor because if the project doesn't perform then the people are more likely to leave it and we have the loss than people who are inspired by the project itself so they will do everything to solve a crisis.*

For John, being profit-driven is riskier for his bank than someone who is intrinsically motivated since the latter would be more attached to his or her project. In other words, being rational is opposed to their solidarity model since being rational leads to more risks in their case. This highlights how the model created based on an emphasis on the ethical framework creates a different form of imperative, one that requires carefully considering the moral framework of stakeholders and maintaining the appearance of authenticity based on prioritising values in their model. It outlines how switching the priority of productivity allowed ethical banks to be perceived as authentically ethical by the informants, which creates incentives that are not of a financial nature and, therefore, supports a model that does not focus on maximising the financial growth potential of the bank. These narratives, of being able to charge more and pay less dividends or salary, relate to the idea of solidarity motivated by participating in the moral goals of the institution. This requires an important alignment, as highlighted by the motivation of ethical bankers, which can also explain why ethical banks are interested in 'evaluating the motivations of the people behind companies, organisations and projects', as Triodos Bank described in this example, and which was commonly found in this fieldwork (Triodos Bank, 2022b, p. 2). In these examples, the assessment of the motives of their clients is a part of the loan process before considering funding opportunities, which is also well explained by the imperative of cross-subsidising their activities and inefficiencies by a sense of solidarity (Cornée & Szafarz, 2014).

However, the most obvious form of cross-subsidisation in green or ethical businesses of increasing fees to customers as John explained 'the interest rate (for our loans) is a little bit higher than in some other banks, so people should be willing to pay a little more here', was described as being less possible today. Indeed, in three cases, newer customers were alleged to be less willing to pay as much extra as historic customers, such as Judy, a board member of an ethical bank, who explained that 'the new customers are comparing us to the competition and if we're more expensive...Pfff', or Sarah, who explained that 'some committed customers are prepared to pay a bit more, but it's also true that they're not prepared to pay a lot more'.

Therefore, while ethical banking customers are often characterised as customers who are early adopters, as reflected in Krause & Battenfeld (2019), this fieldwork suggests a shift in sentiment from ethical bankers towards their customers, in line with a new, more popular customer segment. Indeed, early adopters are characterised by their willingness to support innovation by accepting higher prices, a context that was said to no longer be the common experience of ethical bankers. External factors such as the changing economic and social context can also influence this relationship, with the multiple global crises of the twentieth century perhaps contributing to the fragility of the customer base of ethical banks. It may also be the result of the relationship between ethical banks and their customers, which may be less solidarity-based at present. As highlighted previously, it was difficult to understand the moral framework of ethical banks and there were important discrepancies in the discourses collected. This observation may be related to a decrease in solidarity, as it may be more difficult to be morally aligned with a framework that is less understandable and lacks a clear identity.

However, it may also be related to a fundamental bias of their client base towards loss aversion when faced with financial dilemmas (Tversky & Kahneman, 1974). The preference to forgo future gains rather than pay extra now reflects the tendency to prefer risk-free immediate gains (Ruggeri et al., 2020). In fact, forgoing gains, rather than charging extra fees, was often described in this fieldwork to cross-subsidise their activities. For example, the ABS described encouraging this solidary behaviour to forgo gains in its articles of association: "(t)he Bank is trying to develop a new awareness of everyone's responsibility for the role of money in our society. This includes explaining the option of renouncing to receive interest" (Alternative Bank Switzerland, 2021 Art 2, translated). In another example, an informant explained how his bank had set up a system whereby customers wishing to invest their money could do so directly with entrepreneurs vouched for by the bank, resulting in a reduction in interest rates on loans.

(We have created) a very direct and personal way of giving loans and take responsibility for their money. That's one field we're in and in this field, we have our things with our customer, and we try to find ways for them to make their investment or lending or whatever. And once we find the project, or the customer is facilitated by a project, he starts to think about investing money or lending money to this project, what happens then is very interesting : people tend to lower their interest rate.

This is further linked to the fact that the various types of inefficiency outlined above - from the use of public transport to the failure to streamline processes such as simple lending decisions - have a direct impact on shareholder value and dividends. An observation that is echoed in the public discourse of ethical banks such as the Ecology Building Society, a UK member of the GABV that focuses on mortgages, which describes itself as not maximising shareholder value.

Unlike traditional businesses that aim to maximise shareholder value while identifying some examples of doing good, our priority is to create holistic system value, maximising positive economic, social and environmental impact on the social system we are part of, while taking action to mitigate the negatives (Ecology Building Society, 2022, Annual Report *2021, p. 14).*

Any activity that is not financially optimised in ethical banks results in less profitability for shareholders. Therefore, shareholders of ethical banks accept that their investment will yield lower returns than traditional investments that focus on maximising returns. This means that by not maximising shareholder value, ethical banks rely on the solidarity of their shareholders to cross-subsidise their operations. In a similar way to how workers were motivated by the moral values of banks, the social and environmental values of ethical banks were used to legitimise lower shareholder value and returns, as Bill described:

Bill: In fact, when we start to make, let's say, excess profits… I hope I expect… that we will use some of those profits to invest in having more social impact. I mean, I know that none of our investors expects us to generate double-digit return on equity, but we're pretty profitable now. And if we became more profitable, I would hope that if we asked them, our investors would say, "no, you keep that profit and invest in making more difficult loans".

The use of profits to finance *more difficult loans* reflects this idea of subsidising activities such as taking on riskier and unprofitable projects, which is in line with the historic ethical mission of banks and echoes the contents of the collection outlined above. In fact, the ABS went one step further and enshrined 'Bill's expectations' in its Articles of Association, which stated that "reserves will be increased by at least 5% of annual profit until they reach 20% of paid-up capital (therefore) profits in excess of the above limits must first be allocated to reserves" (Alternative Bank Switzerland, 2021 Art. 22, translated) – such a target goes beyond the legal requirement which is at 8% under Basel III, which further highlights the associationist historical inspiration of a cautious approach to risks (BIS, 2019). This illustrates how shareholders of ethical banks accept that their banks do not maximise their growth potential through maximum leverage, do not maximise their internal processes and do not pay dividends. This also contributes to the cross-subsidisation of ethical banks, which supports their activities despite being described as uncompetitive in terms of economic efficiency and technological innovation. One informant summarised cross-subsidisation in terms of members, savers and employees based on the motivation to participate in the mission of ethical banks:

> *Maya: we feel that the members, the savers, all the customers who come to the Bank really want this change, to be able to say that their money is going to be used to finance projects in the real economy that are concrete and not, in a manner of speaking, to strengthen the banks' reserves without knowing exactly what meaning is being given to their savings. So, people know that the remuneration is not very high - so we're talking about employees' remuneration as well - on savings products, it's the same thing, the remuneration is much lower than in any other banking establishment. But people really come to us to say, 'my money is going to be used to finance environmental, social or cultural projects'. So that's what we employees do on a day-to-day basis.*

What Maya described also applied to employees and echoed the intrinsic motivation to participate in the moral mission of their bank. This was described as an incentive to seek less profit from the bank and thus also participate in cross subsidising the bank. This discourse was highlighted earlier with ethical bankers, from junior staff to CEOs, explaining that they felt motivated despite not receiving much financial reward. Ultimately, efforts to cross subsidise were found across all stakeholders, from customers and shareholders to employees at all levels, based on a sense of being motivated by the bank's moral framework. However, the difficulty in supporting this sense of solidarity, which was perceived as a growing trend, underlines the challenge of offering an alternative to modernity in the context of banking. This section has highlighted that ethical banking does not rely on a charity-based model to finance its operating costs but on creating a narrative that sufficiently motivates stakeholders to either accept higher fees or forgo potential gains in the form of dividends or interest. As a result, ethical banks face significant market pressure related to the fundamental conflict between remaining profitable and prioritising moral goals, as illustrated by the wide ethical discrepancies in the discourse of ethical banks and bankers.

5.3 Challenging Productivism in Banking

5.3.1 Ethical Banks, their Historic Identity, Moral Values and Financial Realities

The findings of Chapter 4 allow to consider the first goal of this chapter, which is to understand the discourse of ethical bankers from the narrative outlined in the historical perspective of Chapter 4. This showed that ethical bankers have continued to emphasise a moral framework which they use to convey a sense of solidarity with their stakeholders. The fieldwork outlined moral values in relation to their origins, with discourses echoing environmentalist critiques in terms of the re-embedding of technology and the economic dimension, as well as cooperative principles of fostering solidarity. Anthroposophy was also present in the collected discourses, but it was perceived as hidden, challenged by the secular social context of high-income European countries.

This reflects the fact that the data collected highlighted the challenges ethical bankers face in defining their ethical model and its specificity, which correlated with significant ethical discrepancy in their discourses. Although their initial values were evidenced, they were accessible only by interpreting the actions and decisions they described rather than from a clearly defined moral framework. As shown, the collected documents and discourses only loosely specified their moral framework. For example, in terms of the environmental perspective, the discourse is so broad that it could fit both weak and strong sustainability. While ethical banks declared wanting to protect natural resources, they did not describe what kind of resources they wanted to protect, how they wanted to protect them and what that would mean. Is it through technological measures or by reducing economic activity? In other words, do they allow substitution, for example, in the case of weak sustainability? Or are all resources valuable and should only be consumed at their renewable rate? Even the regenerative economy proposed by Triodos Bank was not thoroughly formulated in the communication of the bank, giving a similar broad perspective of what environmental protection meant to them. In fact, in terms of conceptualisation, a clear link between ethical banking and strong sustainability relies on the narrative of only two ethical banks that outlined the diagram of Giddings. However, even in these cases, there were few explanations other than the diagram itself, which further echoes a lack of certainty in their moral framework.

Moreover, the ethical choices they make, exemplified by their ethical criteria for loans and investments, further highlight this context. For example, it has been shown that ethical banks only support an organic form of agriculture, which is in line with the critique by Jacques Ellul that technology is impossible to manage. In fact, from a sustainability perspective, Ellul's approach to technology would lead directly to the abandonment of industrial and traditional agriculture, as he argued that technology always has unintended consequences that require new technology to be managed, creating a never-ending cycle of self-reinforcing technology: "When Technique evolves, it does so by solving a certain number of problems, and by raising others" (Ellul, 1962, p. 414)[38]. Ellul favours social and institutional changes in the context of farming, for example, aiming to respect the health of nature, such as by restoring the health of the soil, seeing biodiversity as a driver of the production process of organic farming and adapting practices accordingly. In fact, he described how technology would be interpreted differently in a socialist society, as it would be based on a different social structure: "Technique, integrated into the socialist society 'changes sign': from being destructive it becomes constructive; from being a means of human exploitation it becomes humane; the contradiction between the infrastructures and the superstructures disappear" (Ellul, 1962, p. 404).

In this respect, the banks did not elaborate their statements in a way allowing an assessment of whether their arguments are in line with the view of Ellul, but their moral choices and their integrated approach between technological and social change suggest an alignment of perspectives. Without more detailed arguments, interpreting the perspective of ethical banks in terms of sustainability makes it increasingly difficult to understand the nuances between mainstream and ethical banks, as the argument of prioritising nature conservation was also found in the public narrative of SIBs. For example, in explaining its approach, UBS stated that it puts the 'Planet first', arguing, 'The shift to a lower-carbon future is a priority for UBS and a key focus of our sustainability strategy' (UBS, n.d.). From an ideological perspective, however, banks such as UBS likely refer to a modern interpretation of sustainability, which is different from one that challenges productivity. However, this outlines how such banks are reclaiming the narrative of challenging

[38] In this quotation, Ellul's use of capital letters in the quotation of the term technology refers to his concept of technology as an autonomous entity based on a self-reinforcing mechanism that gives it human-like behaviour.

productivism, but paradoxically, for the sake of profitability, which further complicates the distinction between modern banks and ethical banks.

Thus, the collected discourse presented outlined the emphasis on a moral framework, but did not outline what the moral framework was. This was also the case for social justice. Social justice was interpreted differently from associationism – different times, different contexts. In associationism, a cautious approach to risk was described, especially as it aimed to empower workers and farmers, who took more risks than capitalists, and to preserve their social role so that the bank would not fail. Ethical banks, which focus on a moral framework first, also require such an approach, as they stated that they do not maximise their productivity. In fact, they described taking the time to assess risk in a way that was even inefficient or managing risk beyond typical risk assessment, for example, by integrating the motives of their customers into the mix of their financial decisions. Indeed, the literature describes ethical banks as having fewer loan defaults than traditional banks – and fewer losses when they do occur (Lenz & Neckel, 2019).

However, the collected content contrasted with the early perspective of their associationist roots to finance alternative projects that would not otherwise be funded in the traditional banking world. Associationism was historically innovative in this sense when creating unique structures and products to associate lenders to risk and gain access to financial services. In fact, the core of associationism related to alleviating the subjugation of the individual to the capitalist system, which was not well found in this work. Social justice has often been described loosely. Sometimes, in terms of internal consistency (limiting wage differentials) or making services available to all customers (but only to those who were most loyal and in line with their moral framework!) Instead, they discussed social justice in broad language and from the perspective of the projects they funded, i.e. they were not specifically just, as they mainly described themselves as following the rules and being like any other bank, but with different intentions. In fact, in one case, an informant described not being a social bank that aimed to finance everyone, for example.

However, social injustice can take many different forms, especially in high-income European countries with a strong public welfare system. For example, a public welfare system in a modern context can lead to a loss of caring relationships because it is designed to support the capitalist system to make it more efficient, i.e. an efficient welfare system is essential to ensure that people work and consume as much as possible. Thus, social justice issues could be identified and addressed by ethical banks even in high-income countries, but this was not the case in their argument. In fact, their activism is reflected in their consequences, i.e. their final normative choices, which means that what they described as social was based on supporting projects that had social value.

Similarly, anthroposophy was described loosely, like social and environmental values. In fact, this lack of definition was even valued by ethical bankers, based on respect for individual autonomy to reinterpret values for the bankers themselves or, in the case of anthroposophical values, to create their own spirituality. The lack of definition is thus more telling than the common defining attributes themselves.

Therefore, while ethical banks have historically funded social, environmental and spiritual alternative projects, there were few instances of this in the collected content. In fact, on many occasions, ethical bankers referred to considering the financial dimension in the same way as other banks. While ethical banks described a moral framework that would not be subsumed by the economic dimension in relation to the motives for which they were created, the financial dimension was strongly communicated by ethical bankers. For example, ethical criteria are considered before financial criteria and are argued to be one of the ways in which ethical banks prioritise their moral canvas. However, financial criteria have the same screening power, even though they come later in the sequence of events. From a consequentialist perspective, if the criteria have the same screening power, the outcome is the same regardless of the sequence of events. From this perspective, their specificity is that they have an ethical screening process, not that they have a different priority. However, ethical risks have become commonplace in banking since the rise in awareness of reputational risk. As a result, ethical banks are struggling to maintain a niche and an identity, as most of their specificities have been reappropriated, and the banking environment makes it difficult for them to support their moral canvas.

Indeed, the findings of this fieldwork reflect the literature on ethical banking, arguing that ethical banking is impossible to define due to the diversity of models (Remer, 2014; Tischer, 2013). This diversity was not really supported by the fieldwork, as most of the collected discourses offered relatively similar moral arguments and discrepancies. Instead, during this fieldwork, it was the lack of an exact moral framework that made it difficult to define ethical banks.

5.3.2 Challenging Productivism: The Approach to Profit and Morality of Ethical Banking

The second aim of this chapter was to describe how ethical bankers currently question productivity in their narratives, based on how they described not maximising their profitability. In fact, ethical bankers saw economic production as a resource to be managed in terms of a lower and an upper limit. In the lower limit, it allowed them not to make ethical sacrifices to survive, while at the upper limit, it allowed them not to overemphasise the economic dimension, leading to a self-reinforcing phenomenon of the economic dimension highlighted by Polanyi.

This contrasts with the current productivism framework, largely based on an adaptation of a utilitarian framework, an ethical perspective originally modernised and popularised by Bentham (1789) (Riley, 2018). Utilitarianism aims to maximise the amount of happiness in each society and provides a clear decision-making process for creating a positive amount of utility. This framework lends itself well to economic thinking, which is fundamentally based on the relationship between price and cost. By offering a similar 'happiness-unhappiness ratio' to determine whether the outcome of an action is moral, utilitarianism offers a translation into economic terms for solving ethical dilemmas. Thus, the happiness/unhappiness ratio becomes the profit/cost ratio as a proxy for happiness in modern economics. Within a utilitarian economic framework, rational decision-making in ethical choice is made possible by assessing whether or not it creates profit (Zafirovski, 1999). This has led to economic development being used as a proxy to assess whether the happiness of a population is increasing (Aitken, 2019)[39]. Therefore, an economic organisation that does not apply rational decision-making as maximising profitability reflects a different perspective to modern productivism. This is the case when an organisation consciously chooses not to maximise productivism to maximise its moral values, such as environmental and social values. Such an organisation rejects the common modern hypothesis that economic performance reflects happiness, arguing that the maximum

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[39] There is a subsequent body of research that tries to assess the correlation between economic development and happiness, yet it shows mixed results in the literature. For instance, Stevenson & Wolfers (2008) defend the idea of a correlation, while Easterlin (1974) famously argued that there is a threshold for GDP growth when it stops to increase happiness. This phenomenon is known as the Easterlin paradox; the use of the term paradox further highlights how intertwined happiness and GDP are in the modern conception. However, the difficulty in assessing what happiness means and measuring it meant that the results were difficult to be conclusive, which further supported the use of utilitarianism based on money as a proxy for utility since it has never been fully discredited.

amount of profit does not equal the maximum amount of happiness; on the contrary, the collected discourses of ethical banking described that maximising profitability hinders their ability to realise their social and sustainable missions.

In addition, not maximising profitability allowed ethical bankers to use profitable projects to fund unprofitable projects or inefficiency. In this sense, the banks described the practice of internalising social and environmental costs within the organisation, rather than reporting environmental and social responsibility to external bodies such as regulators or governments. Indeed, within the modern framework of rational decision-making, the price signal should be representative of the democratic process that defines what society values morally; governments can use economic instruments such as taxes and subsidies, as well as the legal system, to steer markets towards certain practices. They can tax activities and behaviours that are not in line with the democratic choices of citizens and subsidise those that are. Any economic organisation that does not act from rational decision-making, therefore, rejects this assumption as well: such organisations support what is considered uneconomic and therefore undemocratically desirable in the current modern framework while not pursuing what could help them maximise profitability, which would be described as democratically desirable. In the case of ethical banking, they redefine their moral framework based on their own assessment and create an economic model around their new framework. This contrasts with the imperative of public control of the economic dimension, as it does not allow economic behaviour to be predicted for regulators and government to manage the free market (up to a point). In this sense, ethical banks reject the common distinction between economic organisation, government and citizens, which supports the early goals of modernity of separating powers to avoid illegitimate claims. It also allows economic organisations to follow the decisions of citizens, either based on consumers buying their products or on the basis of the government influencing markets through taxes or subsidies to reflect democratic will. Rather, ethical banks reflect following their internal moral canvas that reflects their historical roots and the moral canvas of their stakeholders, as will be discussed in Chapter 6. Therefore, while challenging productivism reflects an internalisation of social and environmental responsibility, it also creates another form of responsibility which relates to the democratic principles of Western countries.

Ethical banks were found to be more consistent in challenging productivism in the environment they have more control over. This is related to internal processes, such as not using financial incentive for production and processes in which ethical banks had little market pressure because of their success, such as their financial growth. In both cases, ethical banks highlight situations which are mostly protected from market pressure, which were correlated with a discourse that used moral arguments based on social justice and environmental protection first. This contrasts the other dimensions discussed where important discrepancies were found in the perspective of modernity, with values associating with their discourses that sometimes align with modernity and sometimes oppose it. This further substantiated Lens & Neckel's (2019) idea of difficulty in maintaining their moral framework because of the increased regulation, a challenging economic environment and the increasing competition in terms of sustainability, which all put pressure on ethical banks.

This pressure is a well-understood mechanism of re-appropriation of alternative critiques by the capitalist system, where narratives are reclaimed by modern organisations, but in a superficial way that creates the illusion of problem-solving and creates more pressure on alternative organisations, which become seemingly irrelevant (Chiapello & Boltanski, 1999). The fieldwork does not support the argument of Carbou & Verdier (2023) who argue that alternative organisations aligned with strong sustainability being able to resist the influence of the modern ideology to be reclaimed. They explain that this resistance correlates with the fundamental opposition of the environmental movement to productivism as a central human goal. Specifically, they argue that it is this critique of productivity that makes them less susceptible to being reclaimed by the institutions that support modern ideology since there is a fundamental opposition between their critique and the functioning of the capitalist system. This means that any solution by the capitalist system cannot provide a convincing response to their critique. However, while ethical banks relate to environmentalism, they were found to be subjected to issues of banalisation. Their critique has been claimed in the case of social and environmental justice and their identity attacked in the case of spirituality. The existing system challenges the identity of ethical banks despite their self-description as an alternative, and currently, the collected discourses show that they have responded by loosening their identity.

However, the more ethical banks relax their moral framework, the less they can create a sense of solidarity motivated by their moral goals, and the further they will have to sacrifice their moral framework. Banalisation is dangerous for them because the survival of their model depends on solidarity. Loosening their moral framework to include a broader pool of loans and activities provides short-term income that can help them in difficult times. However, as highlighted in Chapter 4, their history is built on solidarity, created by a moral mission shared by a group of people. This was found to be less the case, highlighting a discrepancy between their history and their current model, even in terms of narratives.

5.4 Moral Values in Ethical Banking

This chapter has outlined the narrative of ethical banks in relation to the modern value of productivism, which was commonly challenged concerning a moral framework over economic production. The chapter outlined the specific ways in which ethical banks argued being different from profit-driven banks, including sacrificing their profitability for their moral values, motivating stakeholders with a common mission rather than financial gain and describing financial inefficiency as constitutive to their moral framework. This provided new insights into the strategy of ethical banks to achieve their moral mission.

In contrast, the fieldwork revealed discrepancies in the narratives. This was illustrated by placing the collected discourses in the perspective of modern ideology. Indeed, by showing that ethical bankers sometimes described an opposition to modernity and sometimes an alignment with it, inconsistencies in their discourses were revealed. This correlated with the lack of a well-defined moral framework for ethical banks that could represent both weak and strong sustainability, an observation also supported by the absence of a definition of ethical banking in the literature. While the historical identity of ethical banks was clearer, as shown in Chapter 4, the fieldwork highlighted the current difficulty in understanding what the aims and objectives of ethical banking are. Indeed, the lack of definition of their moral framework created significant dilemma in precisely understanding their moral stances, especially from the perspective of modernity. Therefore, while the collected discourses outlined different ways in which productivism was being challenged, it is difficult to describe ethical banks as an alternative to productivism per se.

But the question can be asked: should banks define their moral framework? Should it be the job of for-profit banks to describe their ethical stance more thoroughly? Most banks operate within the modern framework, so there is little need for other forms of moral explanation, as their decisions are underpinned by the utilitarian economics and the rational decision-making system of modernity. Their behaviour is predictable, it follows the law, the price and the regulator. Because ethical banks describe operating with an alternative moral framework, this is not the same for them. Leaving their moral framework and identity unclear makes it difficult to understand their model from the outside and makes it difficult to maintain consistency internally.

The next chapter discusses the governance of ethical banks in terms of their public discourse and the discourse of ethical bankers on how they create and apply the moral framework of the bank. This is analysed in terms of the modern value of individualism to understand how the governance of ethical banks reflects this valuation, and to provide insights into responding to the second critique of degrowth, the lack of democratic control in banking.

6 An Associationist Legacy: How Are the Principles of Ethical Banking Redefining the Attribute of Individualism in Modern Ideology?

Introduction

The fieldwork was structured on the two fundamental critiques of banking raised by the degrowth literature, of the two main attributes of modernity: productivism and individualism. The previous chapter assessed the value of productivism and showed how ethical banks and bankers nuanced this value by prioritising their moral framework over their productivity. It was shown that this emphasis involved incorporating inefficiency into their model if it contributed to their moral goals and subsidising unprofitable projects from their excess profits.

The second critique of degrowth proponents criticises the norm of individualism as a representation of human beings, is the focus of this chapter. This critique describes a fundamental contradiction between the governance of the modern banking system and the democratic values of Western countries. From a degrowth perspective, it reflects the shift in terms of decision-making from the public and political arenas to the private and economic arenas. Many moral decisions are, therefore, no longer discussed and communicated publicly. This chapter aims to provide a better understanding of the processes in ethical banking that reflect the value of democracy in a banking institution and the reintegration of political arenas, reflecting a degrowth interpretation of liberal and democratic principles.

To offer such an understanding, the value of democracy was assessed by two questions that structure this chapter: what types of governance systems are described by ethical bankers for creating and applying their moral framework and what motivates ethical bankers to organise themselves in their chosen governance system?

To answer these two questions in relation to degrowth banking institutions, this chapter assesses the narrative of ethical bankers about how credit and strategic decisions are managed and disclosed within the organisation and to stakeholders, with a focus on ethical bank employees. The collected narratives are discussed in terms of modernity and how they relate to individualism in the modern sense. Specifically, it discusses how ethical bankers describe their motivation and how they argue for their practices.

6.1 Producing a Common Moral Identity

An early indication of an alternative narrative reflecting the degrowth view on democracy in banking was collected in the interviews of ethical bankers, starting with anthroposophical bankers. From a modern perspective, anthroposophical bankers opposed the overemphasis on individualism and separation in the connection of their organisations to democratic principles.

> *John: […] (A)nthroposophy is a spirituality that is built on individual freedom. It means that I do what I do based on my knowledge on my insights. That's one very important issue in anthroposophy […]. The second thing is that we act connected, I would say. It's not just the individual, but it's the connected individual.*

John, the CEO of an ethical bank, links the individual and the collective, although his discourse focuses on the individual. Later, he referred to a model of decision-making that allows the individual to be recognised in his or her own identity by sharing responsibility of the management of the bank among all employees to create a sense of shared moral identity. After this discussion, the fieldwork followed up on the findings in the discussion with John by addressing the issue of governance in the perspective of democracy and freedom with ethical bankers.

6.1.1 Horizontality, Participation and Democratic Governance

Consistent with the ethical banking literature, the practice of participation, which reflects collective decision-making through discussion, debate and negotiation, was emphasised by ethical banks as a core organisational form of governance aimed to involve all stakeholders in the development of the bank (Győri et al., 2021; Krause & Battenfeld, 2019; San-Jose, Retolaza, & Gutierrez-Goiria, 2009). Most ethical bankers who discussed their decision-making system described some degree of direct democratic organisation in their respective institutions. The narrative described how each banker had access to collective decision-making tools within their organisations, tools that are normally reserved for specific management roles (see Annex E1, hie_equality, hie_structure and hie_trust, all of which refer to frequent occurrence of relationships in democratic and participatory settings). Ethical bankers from different banks explained that their bank had set up open and temporary teams dedicated to solving specific problems or making strategic decisions in their bank. These teams were created to accompany major strategic changes in the bank.

> *We are in a mode at the moment. We invested a lot in the last years, we're still investing, and, in a way, we are transforming the bank now. Because we [are in the middle of strategic changes]. That also has implications on our structure, on how we work together, on our teams, and everything. From my perspective, I would say that everyone has a voice, which is very interesting. We have certain teams that work on all topics where people can say 'I'd like to be part of the team'. We have a 'change team', for example where all employees can apply also: 'I would like to be part of the change team that leads the bank through these times'. Actually, if you like, you can be part of the decisions, you can be part of the process. You don't have to. Not everybody wants to be part of it, but you can.*

This ethical bank employee highlighted a specific form of institutionalisation of democratic participation within ethical banks, where the voluntary participation of each employee is welcomed in the decision-making system for long-term changes in the bank. In other words, ethical bankers who are motivated to participate in the development of the bank can do so. In this sense, this quote reflects tools and arenas that are normally only available to managers and now described as open to all who want to participate. This indicates well the idea of a democratic form of governance, which is even direct in this sense, as all employees can participate directly.

A similar period of profound change with direct access to participative arenas of discussion was described by a senior manager of an ethical bank.

> *Christa: We are now - and I don't know if you read newspapers about our bank - we are in a reorganisation. And it happens in waves, and in each wave, people are asked: 'Do you want to join this wave? Do you want to tell me what you think? How do you think we could do?' And everybody within the bank, because they have this intrinsic motivation to do the right thing, they all put up their hands and say: 'I want to be part of this because I want to have this conversation about what I think we could do better'. So, there is really a lot of time and energy in having everybody on board.*

Christa's discourse further outlines the narrative about participation of all employees being encouraged. However, Christa adds that this participation is based on participants giving their opinion rather than their expertise in deciding the changes happening in the bank. This echoes the narrative of John, who emphasised the importance of creating a common moral framework that considers the identity of each banker. In addition, Christa also explained being free to participate, but she expressed strong expectation for employees to participate, echoing the confidence of intrinsic motivation of ethical bankers discussed in Chapter 5.

In another discourse, democratic participation was becoming the sole form of organisational structure, eliminating most hierarchy, but with a twist:

> *We're currently in the process of adopting an organisation which, for me, is a logical development of our history, but for some people, it's almost a revolution. We're moving to a sociocracy organisation, where we no longer have a hierarchy - that's not quite right, because the executive management, whatever the case, we'll have to keep it, but let's say, below the executive management, we're going to operate by role, by circle.*

While the informant described the integration of horizontal governance, they also pointed out that this form of governance is limited by their regulatory environment, which forces them to maintain the executive management of the bank. Current regulations limit the full implementation of horizontal governance, as responsibilities to shareholders and regulators are linked to the board of directors and executive management and, in some countries, even to the supervisory board (Bank for International Settlements, 2015). Therefore, democratic and horizontal governance was described as difficult to legitimise to the regulators, such as Nick, a communications officer from an ethical bank, who explained: 'we have to defend our model to the regulator', or Theodore, a back-office manager who pointed out the difficulties in explaining the intertwined relationships between front and back offices in their participative model to the regulator.

> *Theodore: The regulator does not consider our specificities... They treat us like any other bank, and they don't understand... It depends, but in the past really, we experienced some changes in the management board of the regulator, and there was a time it was really difficult because they did not see our specificities as a bank... But*

then later it changed again and so... It depends a lot on the changes in the management, it can get better or worse...

The problems in terms of creating conditions in line with their moral imperatives could therefore become even more difficult with the unpredictability of a regulator not matched to their perspective. This was reflected in the way informants described the limits of power of participative instances compared to the executive and director boards.

Christa: When there is a decision, it's not always your input that you find in this decision. So that's also things that we explain to people, that there needs to be a decision made. The decision is made by the Executive Board. You're not the executive board. You may give all your input, but finally the executive board decides, and then we must be grown-ups and say: "OK, well it's not my decision, but I will put my best foot forward to make this happen".

While participation was described as a form of governance that strived towards an equal distribution of power in the discourse of Nick, Christa contrasts this discourse by re-embedding participation within a vertical system of hierarchy.

This suggests a discourse of participative instances as consultative to support a vertical hierarchy, as participative arenas lack authority in the final decision. Even when participation was possible, informants described that the decision was mostly taken with some degree of autocracy by the Board of Directors, such as echoed by Maya, a loan officer, who explained that they had general meetings every quarter where they were informed on the development of the bank and could ask questions and make suggestions. However, she said that they did not have any role in the final decisions.

Maya: The bank's CEO presents the figures, and we often have half an hour of free questions, where each employee can express his or her views. They can express their opinion on the bank or on what's going on.

Researcher: And how is this taken up or interpreted?

Maya: It depends on the subject, but it's often well received. If it's considered or not, there's not necessarily any follow-up.

In the discourse of Maya, she reflected a form of democratic governance based on discussion and transparency, albeit one that is representative, with employees having a consultative role rather than authoritative. While this contrasts with the original discourses collected talking of participation in which teams are created to support the development of banks, it echoes the way participation was ultimately moderated by the board of Directors. Nevertheless, democratic participation was a value that was commonly found in the collected discourses and in the collected public content.

As described in Chapter 4, participation has an important function in ethical banking, including stakeholders in decision-making processes to ensure the alignment of identity with the moral framework, which has been described as a crucial drive for intrinsic motivation in the literature (von Passavant, 2011). As ethical banks do not offer high rewards or profits, they rely on intrinsic motivation to function. The results of this fieldwork, which included tools for participation and democratic governance, are therefore consistent with this perspective.

Anecdotally, one informant referred to the observation of participation as a central feature of ethical banking.

> *Nick: I think that for me, there is also a similar set of values between all ethical banks, including participation and participative operation. Transparency is also part of this. And the equality aspect, I was going to say, I don't know if that's the right word but let's say people's involvement.*

In seeing democratic participation as a central feature of ethical banking, Nick also included transparency and equality as central values associated with this form of governance. Indeed, access to information is crucial for autonomous and equal participation in arenas of discussion in democratic organisations (Asara et al., 2013). In addition, horizontal governance reflects an ambition for a broader distribution of power, striving for equality, although the nature of human interactions limits a completely equal distribution of power (Honneth, 2008).

Transparency was also described as a necessary tool for democratic governance and recognised as such by, for example, a communications officer who argued that 'all stakeholders have the right to access information' or a senior manager who emphasised transparency in public as well as 'within the company'. It was an important vehicle for building trust and enabling participation, as further described by Nick:

> *Nick: There's the whole right to information part. This means, for example, that all the minutes and so on are publicly accessible to all, including those of the Board of Directors. We also make a great effort to communicate everything that happens in the Bank by different means, through meetings or other minutes or emails, information sessions. We now have a quarterly meeting at which the management addresses everyone and brings together all the information that may be of interest to everyone. There's the transparency that goes with that. We try as far as possible to be transparent. There is confidential information that can (prevent full transparency) but there is still a transparency that is very, very marked, especially if I compare it to elsewhere.*

Like the discourse on the de-hierarchisation mentioned above, this discourse of Nick similarly reflects a limit to transparency. Indeed, although he described his bank as striving for complete transparency, he also explained some information as confidential, which mirrors the discourse of a loan officer in another ethical bank, Maya, who described that 'generally speaking, the board of the bank is transparent with the employees, [...] I don't think they tell you everything that's normal, you can't have access to all the information either, but we're pretty well informed anyway'. In these cases, while access to information contributes to an equal distribution of power, there is still a level of information that is not accessible to all, which limits a fully democratic system within banking.

In addition, transparency was motivated by others who saw it as a way to build trust with customers, such as a human resources manager: 'The most important thing is to build trust between the relationships [...] between the bank and the customers', or another communications officer referring to 'the shareholders that want to invest or the employees that are looking for a job or the customers that want to have a sustainable bank account'. A degree of transparency was therefore described as an instrument for building a relationship of trust with the customers who provide the bank's income. This reiterates the discrepancies in the narratives found in the previous chapter, where instruments or activities were common in ethical banking but often valued differently between informants - and sometimes using opposing values when interpreting the results in terms of the weak and strong sustainability frameworks or modernity.

Like the justification of transparency on democratic and economic grounds, the participation narrative also showed discrepancies in terms of stakeholders and the opinions valued. Indeed, not all forms of participation were clear on which stakeholders participated in their discussion, as they all had to cope with different imperatives from different stakeholders, i.e. regulators, shareholders (or members in the case of cooperatives) and customers.

> *(The ethical criteria) are the bank's history. We reviewed these guidelines, the bank's credit investment policy, and I was part of the working group. We really looked at the areas that are important to us. We had a whole discussion about excluding alcohol from financing. And that's when I thought I was losing it, because we can't tell our winegrowers that your super-cool organic stuff is no good just because it's wine. When it comes to investments, we exclude strong alcohols because of the problems of dependency that you can also find in other areas.*

In this case, the working group, which included a senior ethical banker, was responsible for reviewing the ethical criteria for lending decisions. She explained how important it was for her to consider the type of clients that she had. In fact, she argued that regional differences were key to this debate because she had many clients who were wine growers, whereas other members of the working group did not. Therefore, while participation in such working groups was described as valuing the opinion of each employee, it was not clear how they considered other stakeholders and their importance in relation to each other: do they value certain types of customers more because of their number, volume or relationship to the moral framework? Or are all customers valued equally, and they need to assess this equality in these debates? The frustration of the senior ethical banker in this case is a good illustration of this criticism, in that the stakeholders involved in these discussions, whether present or not, were not made transparent. Moreover, this also reflects the participants' understanding of what ethical banks consider to be democratic participation. For example, Fiare Banca Etica described a 'broad and strong participation of members in the Bank's share capital and the democratic decision-making processes of our Assembly have contributed to the development of an original organisational structure' (Fiare Banca Etica, n.d.-b paragraph 1). As such, it does not reflect democratic participation in the sense that every stakeholder should have access to the participatory arenas if the outcomes influence them. Instead, access was granted arbitrarily between shareholders, members or employees in the collected discourses without consistency between the different ethical banks.

Ultimately, this perspective was summarised by Aloma when she explained considering human beings as free agents that should not be subjugated, and thus, there was a responsibility to create an array of possibilities that adapt to individuals rather than pushing them on them.

> *Aloma: The human being has its own sovereignty. So, this is very important and it's very important for people working with customers like their loan officers. Or if you're back office and have contact and if you're downstairs or at the counter, it's very important to have this in mind to have this culture here. And that's why we sort of try to always work on this culture also with each other. It's quite a lot of work then (laughs). Feedback culture for example, how do I give feedback so that you that you always see the human being in the other? And then if you have the culture, it comes naturally, also to the customers.*

This discourse conveys a sense of spontaneous construction of a culture by fostering interpersonal relationships within the setting of the bank. She explains how it relates to respecting human beings as free agents, which echoes the humanistic perspective of not creating a strong moral framework that structures relationships in a way that supports the integration of the identity of each employee.

Discussion and participation are crucial to creating consent and autonomy for stakeholders, as they provide access to information and the ability to express one's opinion and accept the opinions of others. Yet, based on the content collected, participation serves the ethical banking imperative in terms of moral alignment, but it serves little purpose in terms of democratic decision-making to foster the autonomy of stakeholders.

6.1.2 Self-sacrifice and Selflessness Within a Participative Context

The discourse on democratic and participative governance was correlated with an expectation of a certain disposition to self-sacrifice. Such self-sacrifice was conveyed earlier by Christa when participating in common instances, even though one’s opinion might not be considered for instance, as well as Maya and Nick when they described accepting a partial form of transparency that does not extend to critical information that could harm the bank if it became public. Self-sacrificing is thus an important part of the narrative found in this fieldwork, especially in the context of collective participation, such as an ethical bank employee describing self-sacrifice as necessary to work for an ethical bank. Indeed, it was important to accept sacrificing one's perspective in favour of another that would better suit the bigger picture of the bank. In other words, it was important to be selfless rather than selfish in collective decision-making systems.

> *I used to discuss my demands with my manager. So, if I wanted a new job, for example, I'd discuss it directly with him. And generally, things went well. And then when things didn't go so well... Well, not so well in the sense that I couldn't have the job at the time, well, maybe things would settle down later. For me, I've always found that it was a collaboration between the two parties: we thought in terms of what was best for the bank. So, at some point you must accept that the other person may have a better vision than you.*

In this case, the ethical banker explained how he could have access to discussion arenas with his manager and be able to discuss promotion with him. He explained accepting the arguments of the manager for not giving him a new role in the bank, even if it was his goal to reach this position. Thus, even though he had a say in the decision, he valued abandoning certain goals if they went against the benefit of the organisation. This discourse was reflected by other anthroposophically inspired bankers in a group conversation describing how they perceived freedom as participating in a collective in terms of sacrifice.

> *Aloma: Liberty is not voluntary action, in the sense of just doing what I like. That's not the concept of liberty or freedom. Freedom is also that you can interact, place yourself into a community and sacrifice something. That can be a form of freedom, like I cannot do everything I would like but it's a community and I'm helpful, for example. That's more the anthroposophical freedom concept.*
>
> *Theodore: Freedom includes our ....*
>
> *Aloma: Relationship. Relationship is the key word.*

This collected discourse on democratic governance outlines a discrepancy between how ethical banks and bankers advocate participation as being a vehicle to drive a common identity that best represents every stakeholder and the limitation to their governance, which reflects a traditional form of banking based on vertical relationships requiring sometimes important personal sacrifice. The system of governance in terms of making decisions mirrors well the findings of the previous chapter, which showed strong consistency between different ethical banks and bankers in terms of activities described but also stark differences in terms of moral values motivating the application of these instruments. The opposition between the goals of creating an institution that reflects the opinion and identity of each employee while simultaneously asking employees to sacrifice their goals for the benefit of the collective showed that it lacked a common framework allowing it to connect both goals. In the case of the informant who described sacrificing a job opportunity, he explained that he later lowered his implication in the bank and focused his activism on non-profit organisations.

This highlights how sacrifice was not part of the motivation of this specific ethical banker, while in participative governance, it could be. Sacrifice can be a way to tie the identity of an individual to an organisation through the participative arena by socially rewarding the sacrifice (De Dreu et al., 2014; Ruggieri & Abbate, 2013; Willer, 2009). In fact, the etymology of sacrifice relates to what is *sacred*, which highlights how valued an act of self-sacrifice for the common good can be, a value that was not conveyed in the same sense in the discourse collected.

Moreover, in a democratic and participative organisation, not having one's opinion followed simply reflects a distribution of power in arenas that is desirable; what is inalienable in terms of right is that of consent (Pugh, 2020). Whilst previously, the ethical banker who described accepting the manager's decision and thus consenting to the decision and then reduced his involvement in the bank may say otherwise. Similarly, Christa's discourse of expecting people to be 'grown-ups' does not reflect a strong implementation of consent at the core of her discussion arenas but rather strong expectations of the disposition that ethical bankers must conform to.

Thus, these findings reflect the notion that participation lacks a strong moral framework on which to base it, one that describes the purposes of participation, why participation is the best way to achieve specific goals, and how the tension between the collective and the individual is managed to maintain a sense of solidarity in ethical banking.

This was recognised by a communications officer who discussed the lack of information reflecting a lack of recognition of their governance as a specific model to be carefully managed regarding their democratic governance in their public document: 'It's… actually, I don't know (why we do not communicate on our participative governance). Until now, we haven't made it a big topic. It's just probably because, for me, it's more an internal thing that it's almost normal to have it'. Another informant described how, despite having clear governance objectives in terms of horizontality, they have always lacked structure.

> *Yeah, we weren't always very good at creating structure. No, I think that now, with our horizontal organisation, the framework will be more structured than it was back then, whatever people might think. In the past, I think there were fewer managers, but it still worked quite well in any case [...]. It worked a lot like that. A framework, yes, there is a framework, but, of course, there are rules that we must set, directives that we have to set, many of which come a little from banking legislation. For those who come from other banks in general, they understand the directives fairly quickly and the nuances of the directives, but I think it's a way of working that they bring with them.*

The informant explained that most of the structure comes from external imperatives based on regulation rather than managing the interaction between employees in participative arenas. This further reflects the lack of structure surrounding the democratic governance system and the lack of clarity in terms of goals and objectives.

The fieldwork highlighted democratic participation in strategic decision-making in ethical banking, but it also indicated arenas of discussion designed to promote agreement with the bank's moral framework rather than arenas designed for active participation in the bank's decisions. The lack of a clear definition of these systems, such as what opinions are valued and what framework is used to structure discussions, reflects a disorganised form of participation that further reflects the need to align with the values rather than the need to respond to the imperatives of the profit-making organisation in terms of decision-making. In fact, this is especially the case when implementing democratic styles of governance, which are known to be associated with higher scaling costs (Jones & Kalmi, 2012).

As this solidary system is based on moral alignment, it is consistent that the governance system - along with all other instruments of ethical banking - prioritises activities that promote such alignment. However, a potential threat to solidarity has been outlined in relation to the lack of a clear moral framework, specifically in cases where sacrifice is not sufficiently considered in its democratic governance as a value to be promoted and rewarded.

6.1.3 Servant Leadership

The value of democratic participation and discussion was associated with a specific style of management that was commonly reflected in the collected data and valued by informants: a *servant* style of management, which describes a type of leader whose role is to serve the needs of their team (Jack, 2018). Indeed, managers were attributed characteristics that related to a role of support (see Annex E1, hie_trust, related discourse that described a feeling of trust between relationships).

> *Sam: For example, my boss is technically the head of the department. But he sees himself more as a coordinator, he takes responsibility for things and will cover us for problem cases, but he's not going to supervise our comings and goings and timetables and so on.*

This reflects how managers described themselves; for example, when a senior executive explained giving workshops, she did not see herself as the one conveying the knowledge but rather fostering it through dialogue: "(t)eaching really sounds a lot like the professor is in front of the group and telling all about it, but it's more about dialogue". In addition, this was reflected in the highest sphere of management, such as the Alternative Bank of Switzerland, which decided not to replace its CEO after he left to lead the GABV in 2020 (Alternative Bank Switzerland, n.d.-c). In addition, this was also outlined in the case of an ethical bank being led by co-CEOs that would not call themselves 'CEOs:'

> *We don't say, CEO, It's more management board. We've got a team of two people. And so, it is this for them and for the committee, you say Council committee for the steering board. They are CEOs but they wouldn't call themselves so.*

This type of managerial interpretation was often found in the literature of sociocratic organisations, encouraging members in all types of positions to take leadership roles and contribute to collective decisions, and was frequently found in the collected content. Traditional management roles often refer to control and direction, with frameworks such as the 'Planning, Organising, Leading and Controlling' (P-L-O-C) system outlining the expectations of the roles of a manager in modern organisations. In the discourses collected from ethical bank employees, managers would not fit any of these criteria.

Moreover, by abandoning the traditional role of manager, these role must be re-appropriated by team members, which further supports the need for interaction between bankers to plan, organise, set direction and thus lead, as well as to create control and accountability. These were valued as creating a sense of autonomy by bringing a greater ability to self-organise while at the same time feeling free to act as they felt according to their moral compass without consequences. For example, Maya, a loan officer, described feeling no pressure from her manager.

> *Maya: It's an alchemy that's developed with our manager who trusts his staff and who gives us total control over the day-to-day organisation of our business who doesn't put any pressure on us and lets us manage emergencies and so on. Of course, he's always there to help us with problems or difficult exchanges with customers. But it's really this trust that exists between the employees.*

This was repeated by other loan officers, such as Sean in the previous chapter when he described that they do not have individual targets, so there is no pressure to talk to customers and talk them into some product' or a loan officer who explained:

> *Sarah: Since we don't have any sales targets, if we must turn down a loan application because we don't feel it's right, we turn it down, and there's no pressure to do otherwise.*

Taking responsibility for both their own actions and the moral value of the bank relates well to creating conditions for motivating employees to take part in democratic participative arenas and in the strategic decisions of the bank. However, strategic decision-making was not the only form of discussion arena concerned with democratic forms of governance discussed by ethical banks from the perspective of their moral framework. Short-term decision systems were also commonly described by ethical bankers as the product of collective discussions, especially when discussing the process of granting loans.

6.1.4 The Moral Framework in Practice

All the loan officers and informants who discussed the lending decision process described how the moral screening process was commonly done by group discussion. Indeed, all ethical banks publicly described the screening of their loans according to their moral framework as part of their lending decision process, which was supported by the collected discourses of informants. It is this process that was described as taking place in discussion arenas. The collected content describes applying a moral framework that is not precisely set, but dynamically assessed on the views of the people taking part in the decision to grant loans, a sentiment summarised by Sarah: 'we always discuss (between colleagues), and we all find solutions'.

For instance, the CEO of an ethical bank, John, described how 'each loan, each mortgage, are viewed in a group of three to five people, and there we find out if we want to finance the project […]'. Echoing this narrative, an ethical banker explained that loan officers "helped each other" for loans that require more normative assessment.

> *Maya: Yes, we're going to help each other with financing requests, for example, those a bit complicated, so we're going to ask each other's opinion to see if 'we're in or out'. That's because we have projects that are sometimes a bit "borderline", that are not financed by traditional banks, like tiny houses for example.*

While John described a process of discussion for all loans, most other ethical bankers described such discussions only if projects are in a moral grey area, as illustrated by Judy, who described a recent discussion with colleagues to assess the ethics of a health club.

> *Judy: is it ecological? Is it social? Does it create issues? It's in existing halls, so, no new building… On the one hand, yes, because it gives people access to sport, so it's social, but you can't say that you can do sport in an ecological way…*

This difference in whether all loans are assessed in a group correlates with the explanation given by John that his bank does not have a set of criteria because they prefer to assess loans based on the moral opinions of the employees: 'We don't want our employees to fill in a criteria catalogue but to argue for specific individual situations'. This echoes the difficulties in identifying a common moral canvas discussed in the previous chapter, which is described as deliberate in the discourse of John, as he expressed an expectation for the moral framework to represent the collective, arguing for a humanistic perspective of banking activities.

> *John: The question is, do we want to have a single conscience in the bank, a homogenous conscience? We accept the diversity... […] (When we discuss loans) we must agree on the different aspects of the different values. So yes, we have rules, we have broad values together of course. But they can vary quite much among team members.*

For John, the identity of the bank and the moral framework that underlines it must be the reflection of the employees that are currently making up the bank. He states rules, but in a way loose enough to allow for freedom within them, to represent the identity of each employee. Similarly, it reflects the discourses of Judy and Maya, who explained that many loans were in a grey area in terms of morality, requiring a specific moral assessment that they performed collectively. Thus, this reflects the critique of Chapter 5, yet argued as intentional in this context and valued in reflection of humanistic principles.

In fact, this idea of a moral framework that was sufficiently broad to leave room for making ethical decisions based on discussion was reproduced in another ethical bank.

> *Julianna: I would say that when we're lending, we do have a lending policy which would specify that we're trying to create an ecological benefit. Ecological in its widest sense nature and society, and so we look for that in the loan. We don't have any exclusion policies on, you know companies that we wouldn't work with, but we would use the criteria of are we creating an ecological benefit through this loan?*

Julianna explained that while they have relaxed rules, such as John, they don't have strict policies of exclusion for their loans based on what they consider ecological. Moreover, she described her moral framework as 'ecological in its widest sense' which further highlights the difficulties in assessing with precision their moral framework. In replacement of such criteria of exclusion, she explained that they sometimes had discussions to commonly assess the types of loans that would fit their moral framework.

> *Julianna: We have had some hypothetical discussions before when we've talked about lending on farming projects: Would we lend to a, uh, a meat farm? And uhm, we haven't been in that situation, but we have felt that some of our members (i.e., shareholders of their cooperatives) would absolutely not want us to do that. And some of our members would be "yes, but with certain criteria so" that it wouldn't be factory farmed, for example, and it may be organically farmed. So, we haven't got strict rules, but we do try and weigh these things up, uhm... So yeah, we're trying to look for what, what is the benefit of each loan rather than to rule out or rule in particular companies.*

The discourse of Julianna mirrors the discourse of John, Judy and Maya, in which broad ethical criteria must be assessed in each specific situation. But, in the first case, the communication reflects wide arenas of discussion, while in the other, the arenas were specific to each loan. However, they share the outlook of aiming to create a common understanding of their morals based on the interpretation of the participants.

6.1.5 Recruiting and Training… To Be Morally Aligned?

However, this contrasts with how ethical bankers were said to be recruited and trained as collected in this fieldwork. For example, an HR director described instances in which new ethical bankers were trained to discuss their values and assess their proximity to the values of the bank in a collective setting.

> *Christa: They experience having the same values as the bank and then have a conversation with each other about what this means for you – sometimes it resonates and sometimes it doesn't, that's also OK. So, it's not that it's a certain norm. […] It's not a norm, it's a conversation.*

Christa's narrative highlights this intention of creating the moral framework as a dynamic outcome that emerges from the relationships, explaining that it's not 'normative' but it's conversational. Yet, in Chapter 5, Christa was quoted as describing having rejected an application of a potential recruit because she described him as too 'dogmatic', or Molly, an HR Manager, described talking 'to the (new) employees about our values to make sure that they are not scared of them. I tell them that you don't need to be vegetarian to get a job here, but you just must be curious, so you must think that this is the right way to manage a bank'. In other words, what Christa and Molly have in common is describing how ethical bankers are recruited and trained to co-create the moral values of the bank by aligning their identity with that of the bank, often based on group discussions. However, when new employees are selected on their values and attitudes towards the bank, individual variability, previously valued in humanistic terms, gets reduced in terms of the moral framework of the bank.

This echoes the discourse of another HR director explaining that new recruits are paired with a senior banker for the first six months to foster a sense of community and provide guidance on navigating the company: 'so normally you have a new employee, you have a leader, and they work together the first six months and everybody talks together', which she highlighted in correlation with creating a communication: 'that's one of our values, to be a big community'. While the idea of a community fits in with someone functioning as a referent so that new members can better integrate and be accepted, this raises another issue in terms of what the informants described as the aim of democratic governance. Indeed, ethical bankers are selected because of certain dispositions of being able to discuss and agree with the moral values of the bank. Moreover, they are recruited and trained to align their moral values with those of the bank. This conjunction of elements in the recruitment and training processes suggests that finally, the diversity of opinions in participative arenas may be limited. In fact, the diversity of opinions is strongly influenced by the processes of recruiting and training new employees in a way that conflicts with the previously stated humanistic values. Therefore, an employee in ethical banks represents a person who is selected for their own morals in accordance with those of the bank, which means that they are selected because they represent the bank rather than the other way around, contrasting the discourse of John, which he acknowledges that 'people that come to (their) institution have kind of a base value setting'.

In other words, there are limits to how humanistic arenas of discussion were described and, possibly, limits to how humanistic ethical banks can be. As ethical banks need to select their employees, accept the regulatory environment that they are embedded in, and be profitable, a fully democratic governance is difficult, and may even be impossible, to attain.

Ultimately, the findings highlighted how the challenge to individualism in ethical banking was linked to the participatory discussion forums aimed at building a shared identity based on trust and solidarity. The way in which they described conducting these deliberative spaces reflected well their need to create stakeholder commitment to their moral framework, either by offering the conditions for participation or by creating a broad moral framework and recruiting like-minded employees. Therefore, the results of the fieldwork outlined differences in terms of how decision-making systems were defined and valued, deliberately leaving room in their governance to adapt their system to the desires and identities of their employees.

6.2 Embedded Organisations and Ethical Banks' Discourses

The results outlined in this chapter aim to offer the grounds to answer two questions: what type of governance was involved in the creation of the moral framework of ethical banks, and what types of values motivated this framework, in the perspective of modernity? The results of the fieldwork showed the emphasis of ethical banks and bankers on democratic governance to build and apply their moral principles. The collected discourses described the democratic governance of ethical banks as the equal ability of all stakeholders to access information and make personal contributions to the creation of norms, strategies and decisions of their bank, motivated by a humanistic perspective of employees. This next section describes these results from the perspective of modernity.

6.2.1 Expanding Roles of Bankers

Informants often adopted a humanistic perspective when arguing about the goals of their democratic governance, describing the system as aiming to create a sense of autonomy for ethical bankers within the collective of the bank. The promotion of autonomy within a collective contrasts with the modern interpretation of autonomy, which is defined in terms of the ability of individuals to emancipate themselves from others.

For example, ethical bankers often argued that people should not be 'persuaded' to adopt moral values or behaviours and saw the role of the collective as making suggestions to individuals, leaving them free to decide whether the moral values or behaviours were consistent with their own belief system. Free participation refers to not being forced to participate or to decide. The ability to speak one's mind without consequences or to decide whether to participate are among the fundamental conditions for ensuring that participants in discussion arenas speak their own voice rather than a forced or coerced one (Habermas, 1992). Autonomy, in the modern sense, is more a reflection of creating the conditions for individuals to extend the boundaries within which they experience sovereignty (Nedelsky, 1989). Thus, autonomy is created by the individual's ability to participate in the production process and to accumulate wealth. As a result, autonomy is the process of freeing oneself from the influence of others by having the capital to do so. On the other hand, the discourse of ethical bankers reflected establishing conditions of autonomy within a collective by decreasing power dynamics and generating access to information, which provides a better understanding of what can influence individuals.

Indeed, this perspective of encouraging a form of participation that initiates autonomy was underpinned by decoupling remuneration and the activities of ethical bankers that was found in the narratives of all the ethical banks in Chapter 5. Indeed, by not financially incentivising individuals to behave in a particular way, allows bankers to freely choose whether to participate in the democratic governance of the bank, without financial consequences - whether positive or negative. If bankers have performance-related bonuses, participation in collective decision-making bodies would require them to sacrifice time that could otherwise be used to improve performance and, therefore, financial conditions. Thus, if remuneration is linked to production, the actions of bankers affect their own living conditions. While remuneration in the modern sense allows for more autonomy, in the collected discourse, it created subjugation. In fact, linking performance to remuneration formed a subjugation of the individual to production. This reflects the critique of the subjugation process of modernity described in Chapter 4 from the perspective of associationism, which criticised modern forms of relations between owners and workers that alienated workers. As a result, they became victims and agents of their own alienation, as their behaviour contributed to dispossessing them of the means of production and subjugating them to the capitalists.

Decoupling performance and remuneration, while providing sufficient remuneration, can create more freedom in a collective sense if the right conditions are in place, i.e. if the collective participates in the freedom of the individual by not creating other forms of subjugation. Like associationism, the ethical bank acting as a collective through the institutionalisation of discussion and transparency, conveyed a sense of support for the individual rather than subjection - albeit, as discussed above, limited by the context of banking.

6.2.2 Instrumental Participation and Problems of Subjugation

The findings suggested how participation was argued in humanistic terms, described as respecting the sovereignty of ethical bankers. While this was not found in the discourses of the informants, it was in line with the instrumental goals of generating motivation from alignment of values. Consequently, the shared moral framework serves the business model of ethical banks by building a strong motivation to participate in the goals and missions of the bank. In fact, participation in decision-making arenas was also associated with higher motivation as it contributes to a higher sense of identification (Joule & Beauvois, 2014). As previously mentioned, this was eluded to by von Passavant (2011), who described the importance for ethical banks to involve stakeholders in their decision-making to create greater identification with the moral framework, which, in terms of the findings of this fieldwork, is related to expressing a set of values and creating an identity that is supported by the bank.

Furthermore, while democratic governance was valued in terms of shaping moral norms that best represented the stakeholders of the bank, the discourse collected did not support that ethical banks recognised how the selection process of stakeholders was crucial in effecting these norms. Shared areas of discussion were described in the fieldwork as resulting in shared moral values from recognition of common moral imperatives arising from the social structure in which the participants were embedded. This means that the outcome of the moral framework depends on the participants; different participants would lead to varying outcomes in terms of rational, ethical decision-making. While informants valued this, it also means that the initial selection of the ethical bank is essential in determining these norms. The recruitment process, which emphasises values over technical qualifications, means that the moral system is constructed prior to the discussion arenas. In other words, the discussion consequently serves as a tool of adhesion rather than a democratic representation and thus serves instrumental ends.

If the discussion arenas do not recognise the influences, as in the case for ethical banks and the importance of the recruitment process in the outcomes of these discussions, decisions will be driven by the biases embedded in the arenas. Therefore, this collective entity would be driven by prior norms that structure the arenas of discussion, limiting the autonomy of individuals and thus the liberating aspect of it and the ability to arrive at rational decisions. In these circumstances, the individual becomes an instrument to legitimise the decision in the sense already decided by prior norms, effectively becoming an instrumental form of action. In this context, arenas of debate are limited in their ability to accomplish cultural or moral norms as they were already originated when selecting participants. Discussion areas are therefore limited to recreating the previously existing norms, playing the role of sharing and reinforcing the culture for newcomers.

Furthermore, the sufficiently loose moral framework of the ethical bank may allow some form of agency within participatory arenas of discussion. Individuals are likely to be able to change some interpretations of the values of the bank if they remain within the core moral framework of the bank. A wide framework provides scope for interpretation for everyone in the bank, representing their humanistic values. However, if the framework does not coincide with a predetermined structure to guide the arenas of discussion, it shapes a fertile context for other forms of subjugation, such as moral and cultural subjugation. Indeed, the lack of definition in the framework was identified in terms of values and structure of the discussion, particularly the distribution of power during the discussions. The difficulties in understanding which types of arguments are valued, which stakeholders are listened to and who participated in these cases highlighted this lack of structure.

The lack of format in formal democratic processes reflects a form of invisibility of social rules, norms and structures that frame interpersonal relationships within the bank while institutionalising these relationships in its decision-making system. For example, due to the nature of banking and economic organisations, there are inherent power dynamics that can be linked to certain dispositions, such as those found in society in relation to hierarchy within the bank or in gender, race, education, for example. If these power dynamics are not managed transparently, they can inadvertently influence the arenas of discussion. Despite the increased transparency of ethical banks, the lack of precision regarding the framework for discussion does not allow sufficient protection of relationships between ethical bankers, leaving spontaneous social structures free to develop their own informal norms and culture, which can also be subjugating.

As these social structures and norms are deliberately informalised to represent the humanist vision of ethical banks, they recreate invisibility of social structures in the same way that the modern value of individualism hides interpersonal values, fragmenting individuals. Indeed, the value of the individual in modernity creates the illusion of self-sufficiency, highlighting the myth of the self-made man (Arcos, 2023). In ethical banking, the processes of discussion reflected another myth, that of a spontaneous moral framework emerging from caring interpersonal relationships. However, just as individuals are not self-sufficient, interpersonal relationships are not spontaneously caring. Caring in relationships requires significant attention to power dynamics to best integrate the individuality of each stakeholder (Honneth, 2008). Otherwise, it leaves the door open for power dynamics to set in so that the outcome of discussion arenas reflects the opinions and values of those with the most social influence. Thus, even having the ability and sensitivity to moderate these discussion arenas to reduce the power stakes, a lack of formalisation prevents protecting against subjugation of the participants.

Finally, the reports collected of difficulties in justifying the democratic governance of ethical banks to regulators highlight the challenge of modernity in ethical banking. Since regulation requires individual responsibility and democratic governance aims to distribute responsibility among stakeholders, this creates a fundamental contradiction, reflecting well that governance of ethical banks does indeed challenge the individual value of modernity, represented in this case by the regulator.

However, since the regulatory environment determines the structure of banks, ethical banks cannot develop a structure that eliminates the vertical system. If decision-making power remains in the hands of the management and the board of directors, the ambition that discussions determine the strategy and culture of the banks cannot be fully implemented.

6.2.3 Ethical Banks: Paving the Way Towards Humanistic Banking?

The fieldwork outlined a challenge to individualism from how ethical bankers described governance in terms of building a common moral framework based on participation, contrasting with the modern individual interpretation of autonomy. The integration of autonomy within the collective through participation as a strategy of the bank in moral decisions, and based on a high degree of transparency, relate to the fabricating autonomy within a social context. Experimenting with relationships in participative instances can be liberating and provide an opportunity to express individual identity from a relational interpretation of autonomy. However, these limits to autonomy and equality threaten to turn these instances of participation from communicative to instrumental actions.

Indeed, this part of the fieldwork identified discrepancies like those described in the previous chapter. This might lead to a feeling at odds with the solidarity and humanist aims of ethical banks. For example, unchecked power dynamics in a self-proclaimed democratic institution could create a sense of inauthenticity. Power issues can create social norms and expectations coming from the most influential people rather than from the goal of creating a common moral framework. Placing the narratives of the ethical bankers in the perspective of modernity sheds light on a discourse that aims to create a collective interpretation of the evolution of the social institution in which people find themselves but does not allow responding to the violence inherent in the value of the individual in modernity due to a lack of clarity on the rules of the 'social game' of ethical banks.

Thus, while constituting an alternative to individualism, the modernity view indicated three discrepancies in the collected data between the stated goals of the informants and the descriptions of their governance: (1) a failure to recognise the importance of the recruitment process in the construction of the moral framework, (2) the lack of a clear and strong moral system structuring the rules of discussion and its goals and objectives, (3) the regulators who have a strict perspective on the separation of power and individual responsibility by creating intrinsic social power dynamics.

Ethical banks operate in an environment that currently contradicts their goals and moral values in many ways, as outlined in Chapter 5 referring to productivism and as shown in this chapter concerning individualism. Indeed, this fieldwork has determined how ethical banks aim to integrate a humanistic view of employees and stakeholders, but as for-profit organisations subject to banking regulation, they are forced to respond to external imperatives that may create subjugation.

The example of ethical banks in this fieldwork, indicated that they valued and implemented forms of democratic governance based on transparency and discussion. Informants were motivated to realise such humanistic governance of employees having autonomy and ability to express individual identity within the organisation. This situation effectively offers a challenge to individualism, as hypothesised in Chapter 2, but only if it respects criteria of autonomy and equality. Although it is impossible to eliminate all power issues, it is still imperative to create discussion arenas that are as close as possible to this, especially since democratic governance can contribute to the autonomy of participants. Reflecting the associationist roots of ethical banking, each person can find the means to liberate themselves and become autonomous with support of the collective. Collectives are, therefore, not necessarily oppressive. Democratic governance in banking underscores that collectives can also be a force for liberation and offers an aspiration that could be used in the context of banking to promote humanistic values.

7 Perspectives & Recommendations

Introduction

This research offered an exploration of the narratives of ethical banks and bankers in high-income European countries to provide new insights into degrowth banking. Ethical banks were assessed as real-life examples of banks that publicly express radical discourses reflecting degrowth perspectives on environmental protection and social justice while still operating under current modern rules. The fieldwork aimed to gain a better understanding of the narratives supporting the activities of ethical bankers and related to challenging the modern principles of productivism and individualism.

This chapter first discusses the link between the history of ethical banks and their current narratives on degrowth. Second, the chapter assesses challenging the modern principles within ethical banking. It brings support that challenging both productivism and individualism within the same banking organisation can help to construct a coherent narrative that effectively provides grounds for bankers to contribute to social justice and environmental protection. Finally, the chapter reflects on the narratives collected in terms of consistency, assessed from the perspective of the main ethical framework. This provides an interpretation of the problem of loss of identity diagnosed in the previous chapter.

For some degrowth scholars, the growth imperative questions ~~associated with~~ the banking sector and the specific contribution of banking activities to social injustice, enough to justify abandoning the banking system altogether (Strunz & Bartkowski, 2018). This research outlines alternative social structures and narratives in banking providing potential solutions to these critiques.

7.1 Linking Degrowth and Ethical Banking

7.1.1 A Shared History

The histories of ethical banking and degrowth have in common that they both exist to challenge modernity. Ethical banks were formed to respond to social and environmental challenges and to support spiritual initiatives, their history reflecting a drive to offer solutions to the current system, creating support for alternative projects and organisations by reappropriating modern tools and developing new ones. Their philosophical roots refer to narratives that challenge modernity by nuancing fundamental modern values such as productivism and individualism, creating systems that emphasise specific moral missions (such as supporting workers for associationist banks or protecting the environment for green banks) based on the value of solidarity.

Similarly, degrowth originated to respond to modern social and environmental challenges. Specifically, it emerged as a challenge to sustainable development and its shortcomings and called itself sustainable degrowth. In critiquing sustainable development, degrowth adopted a critical perspective on modernity. Indeed, modern economic and technological systems are seen as inherently violent towards individuals and nature because they subjugate societies and nature to serve economic and technological development. In this sense, ethical banking and degrowth have similar roots, especially in the environmentalist literature that they commonly share that refers to the criticisms that inspired the degrowth concept of a disentangled economic system by Polyani and of an autonomous technological system by Ellul. Based on this work, the early degrowth perspectives pointed out how the goals of the United Nations through sustainable development are contradictory in nature. Indeed, maintaining the centrality of economic goals which is the reason for sustainable and social issues to begin with, is not seen as compatible with sustainability from a degrowth perspective. This diagnosis reflects how ethical banks and degrowth draw on similar prominent figures in the socialist and environmental movements, leading to a criticism on the structure of the capitalist system that produces subjugation. This leads ethical banks and degrowth to argues for a social reorganisation in structure, relationships, narratives and shared goals. As such, ethical banks and degrowth share similar historical inspirations, and their creation reflects well these similar perspectives and goals.

7.1.2 Broadening Roles and Identity of Bankers

The current degrowth literature and ethical banking narratives were also found to be related in how they challenge productivism. The collected ethical banking narratives described a common aim to bring a social reorganisation of banking, critiquing modern banking practices of structuring social relations according to their contribution to productivism. When bankers are seen as instruments of the production process, their ability to express their identity is limited. This mirrors how workers in modern organisations can only express a narrow identity because of the precise role they have to fulfil. By agreeing to play limited roles in economic organisations in exchange for remuneration, such as 'playing the banker' to earn a salary, they reinforce their restricted role in society, contributing to their alienation. In fact, through this process, they suffer and add to their separation (Latouche, 2018). This contrasts with the collected ethical banking discourses, describing a broad integration of the identity of ethical bankers into their work, reflecting a de-instrumentalisation of their role in the bank, seen in in the processes of selecting ethical banking recruits based on individual moral values or specific disposition for discussing opinions and values. It was also emulated in the process of collective discussion of ethical dilemmas raised by their activities in the perspective of their moral framework. In both cases, ethical bankers were valued beyond their technical specifications. This was described in terms of valuing the opinions and individual experiences of each ethical banker in decision-making processes. Based on these collected narratives, ethical banks were shown to argue against capitalist subjugation as critiqued by degrowth by nurturing a humanistic perspective that institutionally integrates a wide representation of banker identity.

7.1.3 An Authenticity Imperative to Resist the Growth Imperative

Embracing the roles of bankers in terms of their individual identities within the bank model was one of the ways ethical banks described resisting growth imperative. Growth imperative relates to systemic pressures, such as defined by Illich, from social structures that push organisations and individuals to sell an ever-increasing number of products and services. At the organisational level, systemic pressure relates primarily to stakeholder expectations, regulators creating the conditions to support bank production, and competition with other financial institutions. The latter is one of the main drivers of the growth imperative since banking can only survive if it grows (Gordon & Rosenthal, 2003). As financial value is relative and defined by the evolution of markets, stagnation in economic growth leads to a relative loss of value and, ultimately, bankruptcy (ibid.). Moreover, if relationships are only productive when productivity declines, so do the relationships, leading to a pro-cyclical economic model notoriously exemplified by the problem of bank runs. Fear of a decline in production leads to less trusting relationships, leading customers to withdraw their savings and increasing the instability of banks.

On the other hand, a more humanistic interpretation of ethical banking stakeholders can reflect valuing human beings for their intrinsic worth rather than their economic utility, which was shown to build more solidarity. Solidary relationships are central to the economic model of ethical banks to decrease their financial risks (for instance, having fewer defaults and fewer losses when a default happens from the moral alignment between stakeholders and banks) and to foster acceptance from stakeholders to paying higher prices or giving up gains (Lenz & Neckel, 2019). Therefore, solidarity contributes to protecting against systemic pressure, correlating well with the strong performance of ethical banks during the low-interest period discussed in Chapter 4.

This solidarity echoes the above-mentioned intrinsic value attributed to stakeholders emanating a sense of authenticity. Frequently, the discourses collected from ethical banks described a genuine integration of a moral framework, mainly said to motivate using financial instruments to succeed in their moral missions rather than to serve economic goals. Indeed, the moral framework was described in the narratives as an end, not as a tool for profitability. This sense of authenticity conveyed by the prioritisation of the moral framework was shown to be crucial for ethical banks to create solidary relationships.

Moreover, subjugation is an important part of what drives growth imperative in ethical banking, especially in a culture of competitive individualism that drives production. However, creating the conditions for legitimacy while implementing tools of subjugation to increase productivity is not compatible; they are opposing forms of organisation. The first seeks to expand the role of workers by valuing their intrinsic worth and identity, and the second aims to limit the role of workers for producing and, therefore, includes only a limited interpretation of their identity. In fact, authenticity is based on moral values and human beings as ends rather than means. Therefore, limiting the role of bankers to increase production inevitably leads to less credibility and less solidarity. As a result, ethical banks have an economic and organisational model in which the imperative is to be honest to promote solidarity rather than to push financial growth.

This necessity to be perceived as authentic was represented in the collected discourses of ethical banks, for example, when one informant described reputation as their most significant risk. Moreover, this imperative was also evident in how ethical bankers described their activities according to their moral framework. This was particularly apparent in activities not specific to ethical banking, such as loan officers describing the ability to self-organise their daily tasks or to interact with each other to support their activities or ethical banks facing problems of overwork. These types of activities were described by informants respecting their moral mission, outlining a shift in discourse rather than activities, as one informant stated, the products are the same as for traditional banking, but the moral dimension is different. Therefore, in their effort to be authentic, ethical banks have an idealistic approach in which they defend their activities based on the underlying morality.

7.1.4 Participation and Freedom in Degrowth and Ethical Banking

Moreover, in line with the literature on ethical banking, the fieldwork found an appropriation not only in discourses but also in implementation of activities that support the sense of identification felt by ethical bankers or stakeholders (Climent, 2018; Guzmán et al., 2023; Győri et al., 2021; Kathleen Krause & Battenfeld, 2019; Remer & Weber, 2011; San-Jose et al., 2011; von Passavant, 2011). This concerns tools related to participation in decision-making systems, often described as costly to achieve and scale up (Jones & Kalmi, 2012). Echoing this institutional integration of discussion and participation, Hannah Arendt showed in *The Human Condition* that political discussion arenas are the kinds of spaces in which individuals best express their identities (Arendt, 1958). Arendt argues that participants enter these political arenas acting on their own values and opinions, thus representing themselves and acting most authentically in these instances.

Indeed, from a degrowth perspective, while political arenas allow for individual expression, they also allow the expression of freedom and autonomy (Asara, Profumi, & Kallis, 2013; Sebastian Strunz & Bartkowski, 2018; Windegger & Spash, 2023). Arendt argues that politics is everywhere but has become hidden. For her, actions are political when they relate to relationships between individuals in a public space. In the modern Western context, such actions are primarily based on individual competition to perform and dominate, which transforms political discussion into a competition of capital accumulation and invisibilises the tensions and negotiations relegated to the private economic sphere. Participation and discussion, however, make it possible to reveal the interactions that are part of the public sphere by collectively organising the action in a way that the interests of those involved are represented. As a result, visibilising the relationships connected to actions in the public sphere and giving everyone involved the opportunity to contribute to the governance of activities can act as a gateway to freedom.

Following this perspective, the literature on degrowth advocates for the importance of participative instances in degrowth, such as Latouche who describes participation for effective and equal distribution of power in a degrowth society (Latouche, 2019). Latouche argues for democratic instances as the process to collectively choose self-limitation in the context of the environmental boundaries and doing so autonomously. Indeed, from a degrowth perspective following liberal-democratic values, embedding economic activity to the renewal rate of natural resources leads to an imperative to democratically consider how limits are chosen. This implies self-limitation in democratic-liberal institutions, as these principles are based on the recognition of individual freedom.

Since the Anthropocene has revealed that the current economic system has the collective capacity to destroy what sustains human life, this creates a conflicting imperative for modern economic organisations to constrain their business models according to natural limits - as demonstrated by ethical banks, for example, which have chosen to select investment products and not provide financing for certain activities or sectors. In a liberal democratic context, participation makes it possible to consent to this self-sacrifice, with direct democratic participation appearing an essential instrument to accompany a transition that is both radical and acceptable (Hammond, 2020).

These instances of participation have, in fact, been found to be effective in communicating sustainability information to citizens, as well as generating convincing propositions that participants can relate to (Ejsing et al., 2023). This is why degrowth proponents emphasise the need to multiply these instances, even beyond those supported by the state. Latouche justifies challenging the modern ontology of individualism by collectively reclaiming autonomy, to originate what he describes as 'the project of an autonomous society' (Asara et al., 2013). Thus, within degrowth, participative arenas become a way of consenting to self-limitation allowing the experience of freedom and autonomy within the constraints of the material and social world, echoing the collective development of the moral framework of ethical banks. Ethical banks' narratives of institutionalised participation and discussion can be seen as proto institutions that incorporate such political assembly into their structure, giving bankers a voice and a role beyond their usual functions and providing the means to experiment with self-limitation as constitutive to relational autonomy and freedom. Allowing individuals to reinterpret their relationship with environmental limits in ways that reflect the conditions imposed by the natural environment in the Anthropocene may prove crucial, especially for banking organisations that attempt to promote self-limitation and selflessness.

This contrasts with the modern conception of freedom, which emphasises economic freedom, undermining other forms of freedom, such as the freedom of political participation (Dumont, 1991). This, in turn, reinforces the modern issues of subjugating the individual for the sake of capital and reducing the identity of the worker to specific roles tied to production. Arendt argues for the re-politicisation of society, reflecting the findings of the fieldwork that revealed how discourses of ethical banks discussed a re-appropriation of political instruments within their framework, offering an additional way to re-politicise society. Indeed, ethical banks narrated that participation and debate were not as strictly limited to increasing the efficiency of decision-making, as in the case of agile organisations that share decision-making throughout the organisation but with the aim to make decision-making more efficient. Instead, this results of this research often reflected the idea of creating a shared moral framework, as Arendt described the creation of a common world in a given community, sustained by constant interaction and negotiation (Arendt, 1958).

Indeed, participative instances are not perfect discussions where opinions harmoniously converge to reach a common conclusion. They are, like most human social interactions, inherently imperfect (Honneth, 2008). As the findings show, bankers described frustrating discussions in which they had to consider multiple perspectives and interests to finally reach the decision that conflicted with their own. Some highlighted differences in regional preferences, dogmatism, lack of self-awareness, or not being pragmatic enough. As a result, relations in participative instances may create feelings contrary to freedom. But it is precisely this tension that is sought in participation to bring in the multiple perspectives and to allow individuals to give their consent after thorough discussion (Nedelsky, 1989). This makes it possible to reveal boundaries of interest between the individual and the collective, creating a space for negotiating these interactions.

Recognising a connection between the individual and the collective requires that people do not feel threatened but supported, liberated not alienated by letting the collective play its historical protective role. This requires specific conditions, such as access to information, the ability to participate in decisions that affect the autonomy of those involved and the possibility of influencing the outcome, as is often emphasised in the body of feminist literature that critiques the current interpretation of autonomy and freedom as individual rather than relational (Aguilar, 2022; Christman, 2004; Freeman, 2011; Nedelsky, 1989; Oshana, 2007; O'Shea, 2011).

While participation is critical to human well-being in a constrained world by creating a different sense of freedom and autonomy, it also supports the potential of ethical banks to resist the imperative for economic growth. Accomplishing shared identity fosters a sense of identification with the bank and thus solidarity, and contributes to the resilience of the bank, reflecting the associationist roots of ethical banking. In this sense, even if the political tool of discussion and participation in ethical banking does not produce revenue streams or increase efficiency, it can indirectly lead to greater solvency (von Passavant, 2011). In this way, the fieldwork outlined a significant link between the two critiques of modern banking found in the degrowth literature, one that criticises the growth imperative linked to the central value of production and the other that criticises the lack of democratic control related to the individuation process of bankers. The fieldwork supported a perspective whereby both critiques are two sides of the same coin in banking, both linked to the modern framework.

7.1.5 Positive Reinforcement in Challenging Modernity

Ethical banking and degrowth banking share a common history and converging discourses. Moreover, the relationship between challenging productivism and individualism outlined in the ethical banking discourse can inform degrowth banking. Indeed, the positive reinforcement of challenging both attributes of modernity was illustrated in the ethical banking narratives, supporting the idea that challenging individualism and productivism in an economic organisation can nuance rather than contradict the value of production to create resistance to growth imperative and growth.

Indeed, challenging the ontological individualism of modernity leads to recognising the individual as constituted by his or her social relations. In economic organisations, this translates into institutional support for these relations, considering wider objectives than economic productivity, for example, by creating space for these relations through decoupling production and remuneration or by institutionalising discussion arenas. In this sense, a relational approach challenging individualism is supported by prioritising the moral framework, justifying the inclusion of other relationships at the cost of profitability. Similarly, the multidimensional nature of the relationships described between ethical banking stakeholders can help to sustain ethical banks in difficult economic times. Multiplying the dimension of relationships within an institution by challenging productivism and individualism together creates a variety of motivations to participate in and support the model, potentially creating greater resilience. The ability to partially decouple stakeholder relationships from productivism contributes to interrelationships that can create a financial support system around the bank. The ways in which solidary relationships enable ethical banks to create forms of economic resilience help to protect banks from growth imperative and instead involve processes that reflect moral imperative, as discussed above. This enables ethical banks to maintain relationships that support the business model, even when productivity is lagging, which is essential to maintaining the integrity of economic organisations in a world where production is constrained. Mutual support and community ties are, therefore, forms of relationship that cannot be replaced by economic relationships but are crucial for maintaining social cohesion that can support organisations in various ways in a degrowth context and resist growth imperative. Recognising and embedding these relationships, therefore, lays the foundation for banking in a degrowth environment, promoting resilience and adaptability in a world with limited resources without creating growth imperative linked to a priority on production.

In fact, challenging both individualism and productivism together allows freedom and autonomy, albeit within limits. The notion of politically interrelated individuals as the type of agents that make up a convivial society, as developed by Illich (1973), relates well to the ethical banking narrative of people motivated by shared moral values. Indeed, recognising the interrelationship between individuals, such as stakeholders in an ethical bank, allows for the motivation of selfless behaviour for the greater good, such as sacrificing part of one's income to contribute to the bank's mission. In this sense, sacrifice and self-limitation can be compatible with freedom and autonomy if societal goals are recognised as contributing to individual well-being.

In fact, a moral framework that gives meaning to one's actions, as often collected in the discourse of ethical bankers contributing to broader societal goals, becomes a meaningful pursuit that participates in the construction of collective and individual well-being. The relational view of individuals creates a narrative in which participation in societal goals is a logical consequence of interpreting the actions of others as contributing to the individual well-being of stakeholders. The narratives of anthroposophically-inspired bankers, together with the examples of participation and communal decision-making, suggest such a relational view of the individual, which may, in fact, be reciprocated in the form of self-sacrifice that supports the ethical bank business model. In turn, the self-reinforcing positive nature of challenging both productivism and individualism highlighted in the discourse of informants showed how self-limitation may be compatible with a narrative of freedom and autonomy in a for-profit banking environment. Indeed, the example of ethical banks illustrates that not only are autonomy and freedom conceivable in a banking institution, given the right conditions they are also compatible with self-limitation, as discussed in the perspective of degrowth.

However, in all types of content collected, from legal documents to public documents to informants during interviews, the terms in which the moral framework was described remained vague. They remained so ambiguous that it was not possible to assess the perspective of ethical banking in terms of weak and strong sustainability frameworks. However, it offered a simple way to distinguish approaches to sustainability based on how natural resources are viewed: can they be substituted, or should activities always remain within the rate of renewal of natural resources? Indeed, placing the results of the previous chapter in the perspective of the main ethical framework highlights the problem of the lack of a rigorous moral framework. Such an issue can indeed lead to a fundamental incompatibility with degrowth principles, as will be discussed below.

7.2 Discrepancies and Risks related to the Ethical Frameworks of Ethical Banks in perspective of Degrowth Banking

7.2.1 Rejecting Utilitarianism and Consequentialism

Ethical banks described themselves as alternative based on their moral values. However, these moral values are difficult to understand and inconsistent when put in perspective of the main ethical frameworks of consequentialism, deontology and care ethics.

First, since all ethical banks opposed productivism as a central legitimating value in banking institutions, they simultaneously rejected rational decision-making, which allows for a right or wrong answer based on careful calculations of a cost-benefit ratio. Chapter 5 addressed the problem of questioning the centrality of productivism in central banking and showed a nuanced approach to productivism compared to modern values. This was substantiated in Chapter 6 by the implementation of inefficiency, such as different forms of decision-making not as efficient as other forms of governance. In fact, the emphasis on production as the central value allows an easy answer to ethical dilemmas: if it increases production value, it is right; if it does not, it is wrong. This assessment is the result of the modern intention to reduce ethical dilemma to a simple rational process. This simplification relies on profit maximisation as the maxim of economic organisations. In turn, this allows better prediction of the behaviours of economic organisations and, therefore, creates democratic control over the economy.

Yet, this form of economic utilitarianism is criticised in the degrowth literature for its oversimplification of human well-being and the growth imperative it creates (Sekulova et al., 2013). Ethical banks added other interpretations of morality to their decision-making process, reflecting this degrowth critique, which is answered by approaching ethical dilemmas differently - yet this difference is unclear.

Similarly, the processes of ethical decision-making were not valued because of the consequentialist interpretation. When the collected discourses of ethical banks valued the processes of ethical decision-making as much as, and sometimes more than, the outcomes of the processes, this is not particularly meaningful from the consequentialist perspective.

Indeed, from a consequentialist perspective, the order of the credit screening process, which included an ethical screening and financial screening, was inconsequential if the financial dimension had as much value as the ethical one - which it does. In terms of outcomes, the results are the same regardless of the order since both ethical and financial criteria have the same power. Yet, this order was seen as a central process, one which represented their moral framework well. Some consequentialist frameworks better account for processes, but the centrality of outcomes remains the core principle, which contrasts with the collected discourses.

This is in line with the literature on ethical banking that also describes how ethical banks subscribe to a different moral framework than utilitarian economic or consequentialist frameworks (San-Jose et al., 2011; Tischer, 2013). These consequentialist moral frameworks do not explain how ethical banks assess their moral dilemmas.

7.2.2 Ethical Banks in Perspective of the Common Ethical Framework

Valuing processes more than outcomes can be interpreted from a deontological framework as respect for the autonomy and dignity of agents. From this perspective, each autonomous agent has a duty to act in a way that respects the autonomy and dignity of other agents, thus creating moral obligations in all processes of social life. The servant leadership style or the high degree of transparency collected in the ethical banking discourses reflects well how the dignity of bankers is respected. The informants did not feel controlled by other agents, such as managers, and as a result, they felt an important sense of autonomy. Furthermore, access to information and participation in decisions that affect their banking environment also reflected the autonomy and dignity of stakeholders.

Democratic governance in ethical banking refers to the process of making ethical decisions and co-creating the moral framework of the bank through discussion, considering the interests and needs of each individual in order to co-construct the rules in a dynamic and sufficiently flexible way. This is in line with the ethics of Habermas, a student of Kant. Habermas emphasises the collective nature of ethical decisions as intersubjective, embedded in culture, history and relational dynamics. For Habermas, moral principles are not separate in nature from human beings; they do not exist outside of human morality as universal rules but are created by the environment in which human beings find themselves, in contrast to the deontology of Kant. Because morality is formed through human interaction, participation and discussion are vehicles for rational decision-making. Habermas described rational decision-making in the same way as Kant, as following the maxim that any action if followed, can be universalised and remain moral, i.e. conform to certain deontological rules such as justice, fairness or respect for human dignity. Indeed, informants argued for the creation of a common moral framework based on arenas of discussion in which ethical bankers interact on their own moral values, following broad rules of environmental and social justice. Indeed, ethical banking has been described in the literature as a deontological organisation (Tischer, 2013). The collected discourse follows the idea of Habermas to be able to reach rational ethical decisions that follow the moral imperative through discussion arenas. This, in turn, can support the critique found in the collected content of ethical banks against the strong separation between back and front offices or the offering of individual financial incentives that can create conditions of mistrust and coercion. For all these reasons, ethical banks are often categorised as deontological in the literature (Tischer, 2013).

However, deontology, whether collective or individual, is based on access to a certain 'moral truth' that is accessible through human rationality. While Kant argues that such rationality is individually feasible, Habermas describes it as only possible through collective settings that allow ideas and arguments to bounce back to a rational conclusion. In this sense, deontology is an absolutist ethical framework that emphasises the role of duties.

In contrast, the collected content reflected the importance of carefully differentially assessing specific situations based on the individual understanding and representation of bankers participating in arenas of discussion. This means that each instance of participation can take many different forms, depending on who is involved. It also means that it can evolve over time. As such, the relativist collected narratives did not represent a universalist framework such as deontology. Dogmatism was often criticised in the collected content, while particularism was valued, reflecting the integration of individual context, emotions, opinions and experiences in the context of decision-making.

In fact, particularism was valued in relation to their moral framework as a way of representing the individuality of each employee, further distancing ethical banking narratives from deontology.

In terms of ethical frameworks, this aim of representing the individuality of each worker can be interpreted from the perspective of care ethics. In care etics, relationships of support and solidarity are positively valued, replacing the value of competition with values of cooperation and conviviality, critiquing patriarchal relationships associated with modern values (Kallis, Varvarousis, & Petridi, 2022). Care ethics specifically outlines the importance of particularism, building on the creation of a specific response to a specific situation according to the sentiments of the individuals involved. As valued in terms of relational autonomy and the concept of tension between the individual and the collective outlined earlier, solutions to ethical dilemmas are the result of imperfect negotiations. This reflects well degrowth, which values inclusive and participatory forms of democracy that aim to reform patriarchal and oppressive hierarchies and that can be key to supporting caring relationships - close and distant, human and non-human (Arcos, 2023; Fotopoulos, 2010; Nedelsky, 2011). Ethics of care reflect these dimensions of the collected discourses, which also extend to degrowth principles.

However, subjugating relationships were also found in the narratives of ethical banking. For example, capitalist hierarchical structures were described as mandatory in banking, especially due to the existence of regulatory executive boards. While these external legal obligations were not the result of autonomous decisions by ethical banks to have them, informants did not present a strong argument against them either. On the contrary, they highlighted a reappropriation of this hierarchy in terms of valuing those who agree to sacrifice their opinions in favour of the decision taken by an autocratic form of governance.

This was also emphasised by valuing rational decision-making in ethical banking, which reflects the expectations of the banking regulatory environment. In fact, rational decision-making allows control, which is the role of the regulator, a type of discourse found in ethical banking, among others. While many discourses displayed humanistic values that are well legitimated within a care ethics framework, these examples highlighted that not all narratives collected fit in a care ethic framework.

Finally, other ethical considerations may be useful, especially when discussing the question of autonomy and freedom from the perspective of degrowth, as outlined in the ethical framework of deontology or care ethics. The specific perspective of ethical banking with regard to fostering human well-being as a priority can reflect the theoretical framework of Sen that builds on the distinction of Isaiah Berlin between negative and positive freedom (Berlin, 1969). While the negative description of freedom focuses on what limits freedom, positive freedom is characterised by what an individual has the potential to achieve. Following this positive description of freedom, Sen defined the idea of agency as capability, i.e. each person's ability to achieve what they value (Sen, 2011). This echos the previously mentioned motivation of aligning work with moral values or creating meaningful connections with others. Indeed, from an individual perspective, the environment that shapes what they value and their ability to achieve their functions can be determined by social norms and structures. Thus, in the world of banking, banks can be considered on their propensity to enable or inhibit the realisation of individual stakeholder functioning. This is why the capabilities approach would go further and suggest that the only reason for banks to exist at all is to create the conditions for each stakeholder to achieve their functioning (Bertland, 2009). In this vision, individuals are embedded in their social circumstances, such as the banking institution they work for, and this defines their conditions for self-realisation. The role of banks in this framework would, therefore, be to create the best possible conditions for individuals to realise their potential, reflecting the above definition of degrowth organisation as promoting human well-being and the idea of ethical banking as supporting projects and organisations of individuals who share the same ethical framework.

However, informants described many forms of self-sacrifice, from salary to overtime, because of their intrinsic motivation to participate in the moral mission of the bank. Self-sacrifice was also expressed in terms of autonomy, for example, by valuing the sacrifice of individual interest for the sake of the group. In this sense, positive freedom does not well reflect this behaviour, as the sacrifices described were designed to support the collective rather than the individual. In fact, whether freedom and autonomy are viewed negatively or positively, the focus remains on the individual. As a result, it does not allow for adequate consideration of the perspective found in ethical banking in this fieldwork, which jointly challenges productivism and individualism.

This is seen in how a positive framework can also be used to promote productivism, for example, in the case of sustainable development. Positive freedom in sustainable development aims to offer a broad interpretation of measuring progress, considering dimensions beyond the economy. While growth is becoming multidimensional, the economic dimension still retains its central role in promoting freedom - so it does not challenge productivism as outlined in Chapter 5, nor does it align with degrowth principles. This does not represent ethical banking, as it relies on challenging productivism to create authenticity and solidary relationships to develop a resilient economic model.

Instead, it better reflects a positive perspective of freedom but is complemented by a relational interpretation. While solidary sacrifices are not well legitimised in an individualistic context, relational contexts that include broader stakeholders (such as nature, distant countries or future generations) create an imperative to encourage such behaviour. When stakeholders are well defined, the recognition of interrelationships in an ethical bank allows for the legitimation of selfless behaviour for the greater good, such as sacrificing part of one's income to contribute to the mission of the bank. As individuals are seen as relational in this interpretation of positive freedom and autonomy, the promotion of stakeholders with some form of interdependence also reflects the promotion of individual well-being.

In this sense, self-sacrifice and self-limitation can be compatible with freedom and autonomy if contributing to societal goals is recognised as contributing to one's well-being. The relational view of individuals creates a narrative in which participation in societal goals is a logical consequence of interpreting the actions of others as contributing to one's well-being. However, this requires a precise definition of the stakeholders involved in these relationships to understand the mutual interactions and benefits of these relationships (Ostrom, 1990).

Therefore, considering a relational and positive interpretation of ethical banks shows initial affinity but also essential discrepancy. Indeed, it was not clear why some banks described participation as involving their employees and others as involving the members of their cooperative, nor who’s interests they were defending in their decisions; sometimes protecting customers, sometimes expressing their own opinion, sometimes acting for the sake of shareholders. The system of governance was therefore different in the examples collected, without a clear argumentation as to why this was the case, highlighting the lack of definition of the relationships that make up the banks and their hierarchy. These questions were not clearly answered in the fieldwork, making it difficult to offer an ethical framework of freedom and autonomy for ethical banking. In fact, except for one case where ethical bankers described freedom as being embedded in a collective and helping to sustain it, there was no apparent link to a relational interpretation of autonomy or an explanation to stakeholders of what ethical bankers considered in their ethical decision-making processes. Therefore, positive freedom reflects the goal of ethical banking in supporting human development. Still, the lack of definition of the stakeholders of ethical banks limits the ability to extend the concept of freedom to a relational and positive interpretation despite possible affinity.

Linking motivation to a context in which individual development is connected to the development of others, such as different stakeholders, can provide important insights for degrowth banking. In fact, this was discussed by some anthroposophical bankers. The implementation of motivation to participate to altruistic goals in banking and the recognition of interrelationships can help individuals direct their individual goals towards socially and environmentally constructive goals. In this context, ethical banks have the potential to create an experience of positive social relationships that contribute to individual autonomy and freedom, which can translate into a wider recognition of relationships. Constructing the experience of a relational form of autonomy and freedom in a bank can lay the groundwork for the recognition of expanded interdependencies, such as with distant countries, future generations and nature in banking (Arcos, 2023).

This research has highlighted how ethical banks do not conform to a specific ethical framework, even valuing this non-compliance to remain more humanistic in their outlook. However, this emphasises the important discrepancies in their discourses, which lack moral consistency and make them difficult to understand from the outside.

7.2.3 The Risks of Loosely Defined Ethics

While the lack of a clearly defined moral framework was valued in humanistic terms during this fieldwork, this may pose risks, such as being more easily reclaimed by market-based prerogatives.

The lack of a clear identity and moral framework may be the result of short-term economic stress. Since ethical banks rely on a moral alignment with their stakeholders, the vaguer and more difficult it is to assess their decision, the better potential customers and shareholders may feel aligned with it - as in horoscopes. By being general, a decision can be legitimised by opposing arguments, as was found in the fieldwork and, thus, represents a broad audience that can link their identity to the bank and feel a sense of social reward by participating in their interpretation of the mission of the bank. While this may initially enhance their attractiveness, it may also undermine the trust of their stakeholder base.

It is difficult to assess the consistency of ethical choices made by ethical banks with the loose moral framework, thereby limiting accountability. Indeed, without access to what constitutes a valuable argument in ethical banking, it is difficult to interpret the decisions made by ethical banks. For stakeholders involved in the decision-making process, this means a lack of understanding of how and why their participation is being considered. This may reduce their intrinsic motivation to participate in arenas of discussion.

In fact, the lack of a clear moral framework even runs counter to the value of autonomy, as has been argued in relation to the absence of awareness on the part of ethical bankers of the influence of previous decisions that affected the discussion arenas, particularly decisions relating to the recruitment of new ethical bankers. Without access to all the information that makes up the social settings of discussion in which ethical bankers are embedded, they have less understanding of what influences them. Participants, therefore, have fewer means to understand their judgements and behaviours, which is contrary to the value of autonomy. In this sense, the lack of a coherent moral framework may lead to involuntary subjugation by instrumentalising ethical bankers towards goals of those who have the most influence in the institution. Thus, the absence of a clear-cut moral framework can create problematic power dynamics that are not transparent. In fact, these power dynamics may become even less transparent when all forms of hierarchy are eliminated, as has been the aim of some ethical banks.

Moreover, the lack of a moral framework also means that ethical banks are more susceptible to banalisation, as shown by an example of a decline in ethical criteria in mortgages and argued by Lenz and Neckel (2019). An unambiguous moral framework can provide protection against conflicts involving moral dilemmas with profitability. Without a transparent framework, ad hoc decisions can be steered in a way that contradicts the broad moral goals, as they fall victim to short-term economic imperatives. This means that there can be a drift in morality towards conventional profit-driven motives, with ethical banks running the risk of losing their alternative nature; a risk outlined in the case of ethical banks losing their identity compared to their history, for example the lack of funding opportunities for alternatives in which they specialise. In such cases, ethical banks are no longer in line with degrowth principles, which also reflects the importance of a strong moral framework for degrowth banking.

It was commonly seen in the samples that current stakeholders of ethical banks were less inclined to be solidary with the bank, especially compared to their historical customers. New customers were said to be more attentive to competitive attributes such as product and service prices, echoing the self-reinforcing subjugating nature of the economic dimension identified by Polanyi. In the absence of a clear framework, ethical banks are pressured to consider utilitarian arguments, which may lead to less solidarity, which in turn to greater economic pressure to consider utilitarian arguments. A loose moral framework can, therefore, lead to a self-reinforcing cycle of productivism. While many reasons can help explain the phenomenon of ethical banks feeling more economic pressure, their lack of a precise framework contributes to less coherence in decision-making processes.

Finally, a definite ethical framework for ethical banks may help support their mission by providing other means to achieve their goals. For example, although most ethical banks described suffering from the regulatory environment, a clear-cut moral framework could create a strong imperative to influence the regulatory environment towards one that better reflects their mission. This might contribute to ethical banks becoming more political, in line with the historical setting of environmentally-motivated banks. They might also be able to identify specific niches in which they might have an advantage and greater ability to create distinct products that could support the niche development . Then, instead of having a negatively defined ethics from a set of negative criteria, they could define themselves positively, based on a stronger moral framework, with a clear identity, accountability and possibly solidarity with their model.

In terms of degrowth, this means that the current model of ethical banking does not strongly support an alternative to productivism and individualism, as it is susceptible to external influences that contradict a just and sustainable society, with capitalism re-appropriating alternatives, highlighting the difficulties of sustaining a degrowth alternative within the modern system. Indeed, since history showed clear-cut moral frameworks, the evolution towards less clarity may be a response to the threats of its modern embedding, which it has resisted for more than 50 years.

However, authors such as Honneth (2008) argue that power dynamics and ethical decision-making systems have inherent problems that can be minimised but not eliminated. While a more transparent framework can help outline these issues, ethics cannot wholly remove power dynamics in relationships and is only helpful to a certain extent. While greater clarity in the moral framework of ethical banks can help sustain their model, it also has limitations in providing definitive answers to the reality that ethical bankers face.

However, should ethical banks decide to implement a stronger ethical framework, the perspectives outlined reflected three main dimensions of ethics that were lacking in the material collected: a clear definition of the moral values motivating decision-making, a definition of the ethical framework designed to assess the legitimacy of the chosen values and, finally, a definition of the stakeholders considered in the assessment of these moral values.

In the case of sustainability, the values were not well understood regarding nature. For example, it was not possible to answer questions such as: do ethical bankers see nature as a pool of resources at the service of people? Or do they see nature as having an intrinsic value that needs to be protected?

Moreover, the choice of environmental values was not understood in terms of a moral framework: does their relationship to nature represent a relationship of care if a bank chooses a care-based approach? Does the outcome lead to the protection of resources at a level consistent with their rate of renewal if a bank decides on a consequentialist approach? Or do ethical bankers have a duty to act in a way that protects nature? This could not be assessed from shared narrative of ethical bankers.

Finally, the decisions could not be understood in terms of whom they affected: individuals? Collectives? Present or future? Is nature a stakeholder or a resource to be managed? While the narrative hinted at a relational view of nature that could be included as a stakeholder, there was no supporting narrative to fully support this idea, except for an anecdotal case.

Therefore, while ethical banking has illustrated the nuances of productivism and individualism, providing insights for degrowth banking, it lacked the necessary clarity to inform on the ethics most appropriate to resist modern imperatives of growth and individualism. However, featuring these shortcomings allows bringing attention to the risks and challenges faced when a banking organisation follows principles that contrast modernity, which can also inform on possibilities for degrowth banking. Therefore, the findings that have an important affinity to degrowth and the shortcomings are discussed in the next subsection to offer the main four principles for a degrowth banking organisation, from the findings of this research. This model of banking appears crucial for a banking system that can contribute to creating a dynamic steady state economic system respecting the limits of nature and supporting human well-being.

7.3 Delineating Degrowth Banking

The parallel between ethical banking and degrowth, as well as the reinforcing mechanisms of their moral and economic models, provide a basis for the formulation of fundamental principles for degrowth banking, supported by the existing literature on degrowth banking organisations. In this section, a novel approach to degrowth banking is introduced, which offers the idea of introducing a systematic ethical framework within the organisation, along with the key principles that underpin an approach from the interactions between the field of ethical banking and the literature on degrowth.

In addition to the criteria for degrowth organisations, narratives within ethical banks initially emphasised the associationist concept of solidarity as a fundamental pillar of the banking model. Indeed, the recognition of the interdependence between the moral and business models was identified as a fundamental principle during this fieldwork. The combination of altruistic values and the relational perspective of banking fostered a sense of solidarity, enabling the generation of revenue to sustain operations within the existing framework. It is, therefore, fundamental to recognise the value of how the moral and relational frameworks positively influence the capacity of banks to survive. This is in line with the perspective put forth by Sekulova, Kallis, Rodríguez-Labajos, & Schneider (2013) regarding sufficiency in relation to profitability. The fieldwork findings indicate that, in this context, managing profitability for the sake of moral objectives brings a sense of authenticity and, subsequently, a sense of solidarity. This approach to profit, when coupled with establishing a sense of community and solidarity, was identified as a means of resisting growth imperative in ethical banking. It thus represents the first principle of degrowth banking, as proposed from the findings of this research project: solidarity.

Secondly, this sense of solidarity arguably requires a clearly defined moral framework. In this regard, the ethical banking sampled in this research serves as a cautionary tale for the moral framework. The collected discourses outlined numerous discrepancies and lack of precision in the ethical perspective, which threatens the reinforcing mechanism. This situation was correlated to the pressure from the modern market, demonstrating the difficulties in maintaining principles that challenge modernity in the current economic environment.

Nevertheless, it has been argued that a more explicit moral framework might potentially mitigate this challenge by helping to identify the core elements of their moral framework and enhancing their capacity to survive. Indeed, adopting an unambiguous ethical framework has the potential to produce a stronger sense of identity by providing a structured approach to assess the ethical implications of their actions. This could relate to the ethical frameworks of consequentialism, care ethics, deontology, or even virtue ethics. The latter can be described as the ethics of moral character, valuing a balance between opposing positions and suggesting that moderation is virtuous, whereas the extremes of moral character or disposition are considered unethical. Virtue ethics was proposed in the context of banking by Barras (2023, p. 27): 'Virtue ethics helps to highlight the role of organisations in creating the conditions for the activation of virtuous dispositions or character traits by their stakeholders', an argument well demonstrated in the fieldwork, particularly in terms of creating conditions for motivation of stakeholders t by selfless values.

In this sense, selecting an ethical framework such as care ethics could support both moral and financial objectives by acknowledging their interdependence in banking. Indeed, the bank requires a sufficient level of profitability to survive, while the financial dimension necessitates the solidarity fostered by the moral framework of the bank. Therefore, a second principle offered from the example of ethical banking, degrowth banking could benefit from emphasising having a clearly defined moral framework that is prioritised over eco-centric and techno-centric values.

Consequently, this could assist in identifying the virtuous circle of implementing values, as proposed by Kallis, Varvarousis, & Petridis (2022). The authors describe slowness, moderation and conviviality as fundamental to the organisation of degrowth. As evidenced during the fieldwork, the valuation of inefficiency, which essentially reflects slowness and moderation, might facilitate the creation of space for conviviality. However, this must be considered as constitutive of the moral perspective and objectives, as suggested in the second principle. Furthermore, they must be recognised as having the potential to benefit the business model, which relies on the first principle.

Specifically, the values of slowness and moderation were also described in terms of managing the expectations for financial growth during the fieldwork, a perspective that is essential for degrowth and further substantiates these values as core values to be considered in the creation of a degrowth banking moral framework. Moreover, this also refers to the disconnection between individual production and remuneration by excluding bonuses from the business model of the bank, a strong institution that creates an imperative for production and, therefore, for growth. Not having the means of survival tied to individual productivity effectively contributes to creating a space for conviviality, as well as for autonomy, by eliminating the subjugation from economic production. Therefore, the third principle refers to the three values offered above, illustrated in this fieldwork by eliminating financial motivation and replacing it with motivation based on selfless values.

Finally, the space created by the recognition of the benefit of these interpersonal relationships allows imagining a system of democratic participation within the bank organisation to decide on the moral framework, its interpretation and the issues that might impact the autonomy of stakeholders. The first principle supports the recognition of such governance as constitutive to the survivability of the bank by having the potential to create adhesion to the moral principles, while the second could support the guidelines of participation. In describing what is valued by the moral framework, participative governance can be effective and subjected to less frustration and possibly more motivation. In fact, as demonstrated in the fieldwork, a lack of moral framework can lead to hidden influence and social hierarchies, which could inadvertently contribute to subjugating individuals to following the aims of those most influential. However, provided the right conditions are put into place for power distribution and an exact framework, such a style of governance would broaden roles as found in the foundational principles of degrowth inspired by Arendt or Illich among others and put forth by Nesterova (2020). They saw an important role of supporting human well-being in degrowth organisation – in the interpretation from Arendt, having the ability for autonomy and self-expression are among the most influential factors for well-being. This correlates with creating instances of autonomy by enabling participation in the decision-making processes which influence stakeholders. Therefore, the fourth and final principle highlighted by this research in relation to degrowth banking is the implementation of democratic participation within the organisation. This would entail providing access to participative arenas to all those who are influenced by the outcomes of such arenas.

In summary, this research offers the following novel principles of degrowth banking: (1) degrowth banks should foster a sense of solidarity with their moral mission, (2) which requires having a clear moral framework and, especially, choosing an ethical framework. (3) These preconditions allow integrating inefficiency within the organisational model, which brings a space for slowness, moderation and conviviality. (4) This space allows forging participative democracy within the organisation, for stakeholders to experience autonomy within the organisation itself.

In consequence, a degrowth bank is oriented towards a humanistic representation of individuals who are relational and connected through a definitive moral framework. This generates a sense of solidarity and mutual support and recognises the importance of participation and discussion in creating autonomy for all stakeholders. The four principles outlined above effectively address the two primary criticisms of banking put forth by degrowth. The critique of a growth imperative is addressed by motivating banking stakeholders to embrace selfless values rather than productivity-ideals, thereby reducing the emphasis on economic growth. The second critique, of a lack of democratic oversight, is addressed by providing the grounds for collective decision-making and integrating democratic processes within banking organisational structures.

The concept of degrowth banking, as previously outlined, presents a few potential challenges. Firstly, it is important to consider the viability of relying on solidarity in the long term, particularly in the context of a market environment that remains largely unchanged. Indeed, integrating inefficiency, moderation, and a sufficient approach to profit runs counter to the prevailing modern logic and creates difficulties for survival in a competitive market that requires growth to remain relevant. If the banking environment remains as globalised as it is today, it may prove challenging to maintain these principles. Consequently, the viability of degrowth banking is contingent not on the willingness of banks to implement the principles but in the capacity of a broad system integrating all stakeholders who must align with the principles. This presents a significant challenge in execution. In the next chapter, recommendations to ethical banks, modern banks and regulators are proposed based on the new definition of degrowth banking.

The solution for a clearly defined framework and guidelines to support participative discussion presents several practical challenges that must be acknowledged. A precise framework would necessitate a significant investment of time and resources and would require managing tensions between stakeholders, potentially excluding those who do not align with the result. In a for-profit organisation, this could create difficulties in maintaining productive activities in these circumstances. This is why this research emphasises the importance of defining such a framework from the outset and paying close attention to its evolution.

As with most moral frameworks, there are numerous unintended consequences that may arise, potentially leading to outcomes that contradict the fundamental objectives of degrowth. These consequences could include a reduction in stakeholder motivation, increased exclusivity, diminished responsiveness within the model, or the development of a moral framework that is unable to adapt and may become impractical or unethical.

These challenges reflect the intrinsic difficulties associated with radical change, which require careful implementation, and trial and error to be effectively addressed in real-world contexts. However, this also highlights the potential for degrowth banking to offer a more humane view of banking, one in which stakeholders might better experience their sense of identity and encounter communal support, which is crucial for experiencing freedom, autonomy and well-being.

7.4 The Alternative of Ethical Banking in the Perspective of Degrowth

In conclusion, evaluating the ethical banking narrative in terms of its activities and ethical frameworks revealed a problematic relationship between economic, social and ethical considerations. Integrating broad ethical dilemmas, ethical banks need to reconcile modern attributes of productivism and individualism while promoting alternative norms and visions of banking in terms of societal well-being. Through practices such as cross-subsidisation and a focus on environmental and social concerns, ethical banks integrate ethical frameworks other than the modern economic utilitarian interpretation. Considering degrowth objectives, this underscores how confronting the dominant paradigm of productivism requires a different set of ethical tools in banking organisations to create ways to make ethical decisions that are no longer legitimised by an external moral framework, namely modernity.

In addressing the ethical dilemmas posed by the departure from productivism, ethical banks have incorporated an important sense of participation and discussion into decision-making processes with a broader recognition of the identity of participants, in line with democratic decision-making processes. Moreover, the implementation of this practice in ethical banks is not without its difficulty. Power dynamics, practical constraints, market dynamics and competing interests were found to complicate efforts to focus on values, promote transparency and make collective decisions.

Despite these challenges, ethical banks offer promising insights into real-life organisations implementing self-limiting principles and collective decision-making within the financial sector aligned with liberal-democratic values and degrowth objectives, thereby responding to the double criticism of banking, growth imperative and lack of democratic oversight. The discourse of ethical banks and bankers offered important awareness of the interdependency between opposing growth imperative and the promotion of democratic and participative governance in line with degrowth principles.

This chapter supports the idea that banking institutions can follow degrowth principles, including nature as a stakeholder, emphasising the support of human well-being according to principles of solidarity and economic sufficiency. The collected discourse of the informants of this study outlined a virtuous circle of challenging individualism and productivism, with a relational perspective of the individual and the prioritisation of environmental and social goals helping both perspectives to sustain each other. A dual challenge of modernity was found to be vital in creating both a safe environment and intrinsic motivation to participate in the goals of the institution.

This research also highlighted that while ethical banks offer interesting solutions to imagining a degrowth banking model, they are currently moving towards an undefined identity, in terms of their speciality and their moral frameworks. This was illustrated by the inconsistencies in the narratives collected on ethical banking when viewed from the perspective of modernity and degrowth, which vary in correlation with the lack of common moral framework. This creates a situation that might lead to a rapprochement to modern values and a distancing from degrowth principles. From a degrowth banking perspective, this underscores the importance of clearly framing moral choices to understand the choices and thus create accountability and predictability.

Despite these challenges, current ethical bank examples offer promises of a better understanding of how an alternative view to modern ideology can be sustained in the current competitive environment and culture focused on individual values.

8 Conclusion

8.1 Putting Degrowth into Perspective of the Narratives of Ethical Banking

The rapidly closing window of opportunity to stay within a 1.5°C (or even 2°C) global warming motivated this research to contribute to encouraging and developing new banking narratives to support the alignment of activities with a strong perspective of sustainability. This research highlighted the narratives and discourses supporting the integration of altruistic motivations in ethical banking compatible with degrowth principles and the limits of and threats to these discourses. It was shown that ethical banks have reinterpreted a collective framework that emphasises a strong moral framework for sustainability by challenging the two main attributes of modernity, effectively creating an opportunity to integrate decision-making that goes beyond the scope of rationality. This was described as essential from the perspective of degrowth to manage limited resources while adhering to Western liberal and democratic values. However, the research also showed that ethical banks in high-income European countries are slowly losing their identity. Related to this was the finding of loosely defined moral frameworks in the collected material, creating difficulty in understanding the real alternative value of ethical banking.

This chapter summarises the evolution of the research and its main findings. The chapter also discusses limitations and perspectives for future research on degrowth banking. Finally, it offers a set of recommendations for regulators, modern banks and ethical banks based on the findings, both in the context of degrowth banking and more broadly to implement a strong sustainability perspective in banking.

8.1.1 A Purposive Start

The research began with one main goal: to develop principles for degrowth banking. Degrowth stands in strong contrast to modern banking, based on fostering individual competition and productive goals. On the other hand, degrowth perspectives with liberal and democratic values require a high degree of cooperation to distribute resources fairly and avoid exploitation. Legitimising such proposals involves the a strong moral framework to support the development of a social structure that represents degrowth principles. Such a moral framework would need to motivate individuals to abandon the pursuit of selfish interests as the primary individual goal and replace it with other goals. Therefore, this research aimed to assess whether moral frameworks that reflect degrowth principles exist and how coherent they are in real-world examples of ethical banking in high-income European countries. The aim is to deepen the understanding of the challenges and opportunities of degrowth banking from within ethical banks, based on the different narratives and discourses of ethical bankers and the historical origins of the banks.

To highlight possible solutions for degrowth banking, this research was founded on a relational epistemological position between the researcher and the field, which valued the knowledge of informants as data to support theoretical knowledge, as well as a guidance that contributed to choosing the path of the fieldwork. As a result, the fieldwork took an exploratory approach to overcome early difficulties encountered in the fieldwork in terms of access due to business elites and the challenges in understanding the moral framework of modern banks. The ability to build on the fieldwork using an iterative form of data collection proved central to collecting data in the difficult field of banking, particularly using a degrowth-focused approach.

The starting point for this research was the observation of the double failure of the United Nations (UN) concept of sustainable development, which aimed to protect the environment and alleviate poverty. Extreme poverty has indeed been reduced worldwide during the period of sustainable development. However, current trends in inequality, increasing within high-income European countries, are contributing to a decline in economic opportunities for the middle and lower classes in these regions. As a result, this trend currently threatens to increase poverty in high-income European countries. Moreover, over the same period, most global indicators of environmental stability have been negatively affected by human influence. Six out of nine planetary boundaries have been officially exceeded, reflected in trends such as atmospheric carbon dioxide concentrations increasing by more than 50% or the loss of up to 69% of wildlife populations according to biodiversity indices (IPBES, 2019; Richardson et al., 2023). As a result, decades of sustainable development have failed to protect the natural environment or alleviate poverty significantly.

In the light of the degrowth literature, this observation of a double failure of sustainable development reflects a fundamental problem with a system focused on preserving what degrowth sees as the source of environmental degradation and inequalities: a disembedded economic system. In contrast, modern interpretations describe the economic system as central to the realisation of well-being and happiness, in which equal access to markets is seen as a substitute for welfare (Dumont, 1991). However, increasing environmental pressure and economic inequality are revealing the limits of these assumptions, and radical solutions such as degrowth need to be considered. As a result, the question of modern ideology, which has been the main moral framework for the last four centuries, has been discussed in the perspective of degrowth, which critiques the central modern values of productivism and individualism. The focus of this alternative thinking reflects opposition to the fragmentation of human societies and the separation of humans from nature. As a result, degrowth aims to create social organisations that better represent the interdependencies of physical and social realities and to re-embed economic organisations such as banks into the webs of relationships.

While most sectors contribute to the dangerous environmental trends, European industrialised countries are known to be highly financialised, with banks playing a central role in the creation and allocation of capital. Banks distribute and create capital through their lending activities and selectively determine who has priority access to that capital based on criteria set by banks and regulators. Their specific roles and the importance in high-income European countries make them strongly associated with environmental and social problems. Indeed, the development of banking coincides with the growth of modern economic systems. As a result, banking has developed its practices in line with modern imperatives, while its central role contributes to a strong reinforcement of the modern framework.

Following this observation, the two main degrowth critiques of the banking system structured this research. The first relates to bank money leading to a growth imperative, which was argued to be associated with the social institutions of banking based on the values, norms and the structure of relationships of bankers and regulators. The second to the undemocratic way banking activities are conducted, despite the banking system being publicly supported by central banks (and sometimes, as a last resort, directly by the government). This context motivated the fieldwork to focus on banks with a narrative emphasising an authentic implementation of a moral framework motivated by social justice and environmental protection, echoing the theoretical framework of degrowth in relation to disembedding the technological and economic systems. Thus, banks were selected if they described a sacrifice of profitability for the sake of moral values, reflecting a re-embedding of the economic dimension and if they offered a high degree of transparency, reflecting a consideration of relationships in terms of solidarity rather than competition. Together with the theoretical sampling method, based on opportunity and networking that arose in the evolution of the fieldwork, these criteria led to the selection of ethical banks, which were mostly associated with an association called the Global Alliance for Banking on Values (GABV). In the literature, GABV member banks were characterised by a strong focus on their ethical mission and goals and a prudent approach to risk. They were also said to offer a high degree of transparency in their activities, which aligns with promoting participative and democratic institutions. Therefore, these characteristics formed the basis of the fieldwork to understand how their moral framework related to productivism and individualism and how they described this in terms of their activities.

For this research, an iterative approach to the field was chosen in relation to the important complexity of the research questions due to their interdisciplinary nature and the limited literature on the subject. Furthermore, this method reflected the initial challenges of fieldwork in terms of access and interview dynamics. In fact, in the early stages of the research, instead of going into the field with a narrative about degrowth, the topic of sustainability was chosen because of its more neutral emotional response while being directly related to degrowth when mobilised from a strong perspective. This led to initial fieldwork that happened to be in a social space made up of business elites, not obvious at the time and led to taking on more than anticipated. However, using an iterative approach to fieldwork based on theoretical sampling made it possible to take another direction when faced with obstacles. Thus, from discussing sustainability with sustainability managers, the fieldwork focused on ethical bank employees, selected on their ability to provide information about the moral framework, how it was developed and how it was applied; sometimes because of their position (e.g. as HR manager or communications manager), sometimes because they had been involved in the moral framework development processes, or sometimes because of their seniority and long experience with the bank. This led to interviewing 23 bank employees, including 19 ethical bank employees and four traditional bank employees, as well as a communications officer from the Anthroposophical Society. The interviews focused on their motivations, their activities and their relationships with customers and members of the banks. The early discussion with sustainability managers, particularly from SIBs, i.e. those outside the GABV, although not without difficulties, proved useful in gaining perspectives on the challenges, opportunities and types of values existing and structured their discourses, often representing an interpretation of modernity in banking. All discourse was then analysed using thematic analysis, highlighting the most frequently discussed themes and comparing these with the views of degrowth narratives. The fieldwork came to an end when new interviews did not provide new information in relation to the aims of the research.

8.1.2 Historical Roots, Contemporary Practices, and Challenges

The first part of this research, which reinterpreted the history of ethical banking in the perspective of modernity, showed an alignment between the degrowth critiques of the central modern values of productivism and individualism and the multi-dimensional historical roots of ethical banking. First, the associationist social movement of the nineteenth century was shown to be related to opposing the ontological individualism of modern ideology. Second, the environmental movement of the 1960s challenged productivity as the central role of human beings and recognised the emphasis on the economic and technological dimension as the cause of the destruction of nature. These two perspectives were both represented in the third historical origin of ethical banks, the spirituality of anthroposophy. Anthroposophy referred to similar outlook, but in a spiritually motivated way, arguing for more solidarity to promote social justice and for recognising interdependencies motivating the protection of the natural environment. This recipe of historical roots of ethical banking, offered a comprehensive opposition to modern ideology in a way that aligns with degrowth narratives.

Furthermore, the interviews and collection of public content from ethical banks and SIBs highlighted two frequently discussed ways ethical bankers effectively challenged the narrative of modernity consistent with their historical roots. First, ethical banks and bankers described the prioritisation of ethical goals and their mission aligning with re-embedding the economic and technological dimensions. Indeed, narratives were often found in relation to technology that agreed with strong principles of sustainability as inspired by Jacques Ellul and later reinterpreted in economic terms by Schumacher and, more recently, by degrowth scholars. In banking, this translated into a discourse that, while emphasising competitive motivations (such as the drive for growth or high returns), was more about contributing to social and environmental goals that reflected altruistic values. As such, these values were seen as costs built into the model rather than seeing sustainability as a competitive factor or a way to radiate in new markets.

Second, ethical bankers expressed a solidary interpretation of social justice that aimed to support development through mutual benefits within the community by cross subsidising their activities with the acceptance from stakeholders to renounce gains. In doing so, arenas of participation, democratic governance and transparency were crucial parts of this dimension, as they recognised the importance of solidarity within the business model, especially the recognition of the broad identity of their stakeholders. This reflected how the nature of their activities was not framed by utilitarian principles, but required creating an alternative ethical framework to justify their decisions when faced with ethical dilemmas, which was collected as mostly done through discussion arenas making decisions collectively.

As a result, authenticity and participative structures motivate the engagement of altruistic goals. The discourses of ethical bankers supported a perspective in which individuals operating within the current modern ideology and liberal-democratic tradition can use degrowth justifications to legitimise their selfless practices rather than those based on hedonistic and egoistic values. The perceived authentic implementation of their moral values of sacrifice of wealth reflects a sense of identification and social reward. This opens new outlooks for understanding how self-limitation can be institutionally implemented in degrowth banking.

The research revealed a virtuous circle that challenged both attributes of modernity: resisting production motivated stakeholders to sacrifice their gains, effectively opposing the value of individualism. This translated into a more resilient economic model, allowing one to focus on moral goals and not on maximising productivity, hence confronting productivism. This mutual reinforcement makes a strong case for implementing a holistic view of degrowth principles, namely challenging both productivism and individualism within degrowth banking, which could inspire a resilient and effective model of transition.

However, the research also revealed important discrepancies in the collected ethical banking discourses about modernity and degrowth. Contradictory discourses highlighted a lack of ethical consistency despite similar practices and broad goals. Such contradictions and lack of clarity in their moral approach were argued to be a risk factor for ethical banking, particularly as it emphasises solidarity in its economic model, which requires a sense of authenticity, transparency and accountability. In contrast, the lack of a clear-cut moral framework makes the model difficult to understand and reduces the possibility of accountability, leading to decreased authenticity. In ethical banking, this can lead to a move towards banalisation. Highlighting these shortcomings provided an opportunity to underscore the importance of ethics in banking, especially in the context of degrowth.

8.2 The Challenges of Researching Degrowth Banking

This section discusses how assessing imaginaries, narratives, and moral frameworks in banking proved challenging for many reasons. Issues related to negative emotional responses to degrowth, difficulties in accessing sustainability managers, or simply difficulties in discussing ethics in banking were some of the main confrontations faced in the fieldwork. This section discusses these challenges to inform and support future research related to ethics in the financial sector.

8.2.1 Elites and Sustainability

The fieldwork started with great difficulty due to the elite-oriented sample. In fact, instead of immediately discussing degrowth in banking, which can be controversial in modern banking organisations (and was when discussed), the fieldwork approach was through the theme of sustainability. However, few people in the banking sector could provide information on the sustainability strategies of banks. Those best placed to discuss sustainability were sustainability managers, who proved to be elites in this fieldwork sample. It is well-documented that sustainability is becoming mainstream (Cuevas, 2013). Yet, that sustainability managers in banks are elites is not and came as a surprise. As sustainability in banking is still in its infancy, it was expected to be relegated to the communications department since implementing sustainability in a modern organisation often brings public relations benefits - as was the case with one SIB sustainability manager who was part of the public relations team. However, the difficulties of access and the status of the sustainability managers interviewed showed that sustainability in banking had been claimed by the elites.

Difficulty in accessing the target population was not apparent at the start of the research. In addition, the lack of a network linking sustainability managers made the process of theoretical sampling more difficult, as there was no snowball effect from one opportunity to another. A strong network might have provided opportunities and the ability to be recommended and connected to others, but did not happen in this part of the research.

In addition, elites are known to be difficult to interview. This was found to be the case, with sustainability managers often quoting their reports in response to questions rather than answering the question in their own words. While this provides insights into how sustainability managers interpret their role in modern banking, this kind of power play created difficulty in accessing moral frameworks beyond what was officially and publicly available. Therefore, even when access was obtained, the limited depth of the interviews reduced the amount of information that could be obtained for the study.

Therefore, any future research on banking and sustainability should consider that fieldwork may face significant challenges regarding access and compliance with the discussion and that the research question and methodology must be adapted accordingly. It would be essential for the research to be cautious about time and expectations of outcomes. Building trusting relationships with elites in the field of sustainability requires a significant time investment without guarantee of results (Hertz & Imber, 1995). The different discourses used in the fieldwork with elites led to various responses from elites. This reflects the importance of aligning discourses with elite expectations, especially in terms of the evolution of the goals of their institutions. In sustainability, a common narrative of SIB sustainability managers reflected an imperative to correlate sustainability with profitability, further underscoring the difficulty of assessing degrowth in fieldwork in modern banking. These points should be carefully internalised should future research address this fascinating question from a qualitative approach in banking specifically with SIBs.

8.2.2 Materialism, Idealism: Studying the Banking Discourse as a Practice

This study highlighted the importance of understanding the moral framework of ethical banking from a modern and degrowth perspective. In general, practice and imagination are usually understood as separate, distinguishing between materialistic and idealistic perspectives (Taylor, 2003). In fact, interpreting action based on material reality and social structure does not lead to the same results as interpreting action from imaginaries. Moreover, most social science nowadays recognises an interplay between the material and ideal dimensions, in which narratives can be seen as an expression of power dynamics in society (Waitt, 2010). Discourses and practice can, therefore, be interpreted as intertwined, with one informing the other, as has been the position adopted in this thesis.

Therefore, this fieldwork focused on understanding the moral justification of actions in banking, particularly in ethical banking. This involved discussing the activities of bankers in the context of sustainability, how they described them and what motivated them to undertake such actions. During the fieldwork, it became clear that many of the actions of ethical bankers could not be understood unless approached from an idealistic perspective. Indeed, without questioning the underlying ideology of ethical banking actions, many practices appear the same as traditional banking. Discussing the motives and ideology behind the actions provided insights into how ethical bankers reappropriated modern instruments to support their narratives, even in cases where there were no material differences. This provided important information about the moral imperative to remain authentic felt by ethical bankers, particularly in resisting growth imperative as criticised by degrowth.

8.2.3 Reflections on Methodological and Contextual Limits

While the fieldwork provided important insights into how certain practices and activities of self-limitation and selflessness can be legitimised, in the context of degrowth principles, it is also important to discuss the contextualisation of these findings to understand the perspectives.

Firstly, there are considerations about the chosen approach of understanding action from discourses and argumentation. First, the approach risks oversimplifying the reality of social interactions. Indeed, many embedded social interactions in discourses are not salient. Analysing discourses outside of observed interpersonal relationships offers a specific perspective on the reality of a phenomenon. While it can reveal power structures between individuals, complementary methods such as (participatory) observation can be helpful if the aim is to understand power dynamics in a social context. However, this was not the aim of this study. This research aimed to provide an in-depth understanding of the moral framework of ethical banking from an ethical perspective rather than a social dynamics perspective.

Similarly, the material reality of social relationships contributes to structuring the reality of a discourse. However, these are not obvious when looking at discourses and imaginaries. Economic reality and environmental conditions can create imperatives, such as those discussed of modern markets, which contradict the logic of the original inspirations of ethical banks. These imperatives can be felt and interpreted differently depending on the individual. This means that the fieldwork focused on the impressions of the material reality rather than the material reality itself. This was, in fact, the aim of the research, to understand how different material realities could be legitimised in narratives using principles related to degrowth. However, it is important to remain cautious when interpreting the findings of this research to not confuse material reality and the findings from an idealism perspective.

In addition, while the interviews and content collected represented most ethical banks and banking positions in high-income European countries, the sample size was limited. As a result, the findings capture a specific picture of ethical banking rather than a comprehensive perspective. This distinction relates to the aim of this study, which focuses on discourses that can inform degrowth banking to provide a deeper understanding of the interrelationship between banking practice and discourses. Although ethical banking is still a relatively new topic, it is already well-defined and researched in the literature. However, there is a lack of understanding from an ethical perspective, especially in the outlook of modernity and degrowth banking, which offers radical solutions to current modern problems. The fieldwork represents these aims regarding methodological and sampling choices, focusing on individuals and public content that can inform the moral framework of their ethical banks.

The data anonymisation process was extensive due to the sensitive nature of banking and the realisation of the need of highly secure conditions for informants. However, although data anonymisation may mask the nuances between ethical banks, this reflects the requirement of the field for creating trust and access and the focus on ethical discourses over representativeness. Studies focusing on the definition of ethical banking should consider the diversity of informants, with some of those nuances having been lost in the anonymisation process in this research. Future research addressing a localised understanding of ethical banking could seek to build trust with fewer institutions and offer less anonymisation of data in the analysis and reporting process, which might benefit a granular understanding.

The non-representativeness of the sample reflects a relativistic approach to data co-creation between the field and the research of the fieldwork. While effort was made to mitigate subjectivity through rigorous and consistent methods of analysis and reflexivity, the influence of the researcher must be acknowledged, especially considering a framework of strong sustainability and degrowth, which emphasises finding solutions to the urgency and threat of current social and environmental problems. This research focuses on creating the first building blocks towards degrowth banking in terms of social structures, norms and ethics. It also encourages the development of the research topic to conceive a diversity of perspectives and bring varying routes for the implementation of degrowth principles in banking.

Finally, degrowth was chosen for this study as it represents one of the most radical responses to the modern framework and shortcomings of sustainable development, which makes sense given the time-sensitive nature of climate change. There are many other scenarios, from high-tech to ecological and social collapse and everything in between. While modernity relies on technological progress, degrowth relies on social structures and norms, matching the emphasis of this thesis on ethics as a catalyst for change. Therefore, the choice made in relation to degrowth is consistent with this research in terms of its focus on social innovation, which could potentially lead to an unintentional legitimisation of the concept of degrowth, the influence of which should be acknowledged. While it is impossible not to participate in the legitimation of a concept central to a research project, special efforts were made to place degrowth in its social context and history to understand the epistemological influences shaping degrowth.

8.3 Research opportunities and perspectives

In view of these limitations, the fieldwork also highlighted the mutual affinities between ethical banking and degrowth, which support the participation of ethical banks in this perspective. Indeed, the field of ethical banking proved to be accessible through a discourse focused on degrowth principles. Therefore, there are opportunities for future studies to build on this research to explore the processes, power dynamics and challenges of ethical banks in implementing degrowth principles and related moral frameworks more deeply.

Given the market pressures, a longitudinal approach might also clarify the dialogue between external pressure, internal pressure and the evolution of the ideology of ethical bankers. For example, a correlation was suggested in ethical banking between the slow process of losing their identity and the difficulty with new customers, who are more attentive to productivism attributes. This could be helpful for degrowth to understand the long-term effectiveness and challenges of a financial organisation trying to operate within the modern framework while questioning the conflicting attributes. This might inform on the link between a moral framework and the implications for ethical banking activities.

In addition, ethical banks operate in a highly regulated environment with extensive and stringent rules. This can have a fundamental impact on their ideology and ability to implement their values. This was highlighted by the secularisation process of La Nef or anecdotally in a conversation with an informant who explained the difficulty to justify their collective practices to the regulator. The inclusion of other stakeholders in future research, including regulators, could prove helpful in developing a deeper understanding of the modern challenges facing degrowth banking.

Further, the ideology of ethical bankers could also be assessed in their practice of ethnographic observation. As an economic organisation embedded in modern markets, ethical banks must contribute to current market forces, leading to increasing environmental pressure and social inequality. Therefore, the activities of ethical bankers are embedded in a system that is not driven by their ideology; observing this interaction might prove useful in grasping the limits and possibilities of their narratives in the light of degrowth.

Many opportunities exist in ethical banking, with this research scratching the surface of their potential in relation to degrowth. Hopefully, this research will provide new insights into how research practices could approach ethical banking to comprehend the challenges and opportunities for degrowth in banking. Notwithstanding, this research determined several perspectives that might be helpful to regulators, modern banks and ethical banks, as discussed below.

8.3.1 Insights from Degrowth Banking for Current Stakeholders in Ethical Banking

To prevent bank runs in the banking system, regulators and central banks have focused on building a system that induces trust (Abdelsalam et al., 2024). Regulators limit the risk that banks can take, emphasising structures that promote rational decision-making by distancing relationship influences from lending decisions, while central banks generate financial security by providing loans to banks when needed. Furthermore, in some countries, such as Switzerland, the government guarantees a part of individual accounts in the event of bankruptcy. This is how governments, regulators, central banks and banks have established a highly efficient system to provide the economy with the necessary capital even in difficult circumstances (Udell, 2020). However, the example of ethical banking makes a strong case for considering a parameter of relationships in banking: the parameter of solidarity. The strong performance of ethical banking in the difficult post-subprime period reflects how solidary forms of motivation can be constitutive to banking business models. Solidarity was also shown to reduce risk by decreasing loan defaults, as well as the impact of loan defaults when they do occur. Therefore, promoting solidarity may offer a way to reduce risk in the banking industry in a way that can help to reduce the growth imperative in banking, thereby providing a response to the first critique of degrowth in banking.

Considering the Green Swan problem (which highlights that uncertainty in terms of climate risks is a matter of scale and not of realisation), solidarity may be beneficial as a complement to trust to maintain the functioning of the system and limit the negative social and environmental impacts of the banking sector. Indeed, in ethical banking, solidarity was shown in Chapter 6 to be correlated with alignment of the selfless moral framework of banks and the moral values of individuals. This supports the literature on ethical banking and social psychology, which shows how stakeholders are motivated to participate in a moral mission with which they feel matched, as it can contribute to a sense of identity (Story & Neves, 2015; von Passavant, 2011). Therefore, regulators could support banks in creating transparent moral frameworks to which customers can identify. Specifically, this would require moral frameworks that promote a sense of solidarity, such as expressing selfless aspirations for sustainability or social justice. Reflecting different forms of ethics, banks could develop specific goals to achieve, or cultivate a code of deontology. Another suggestion could be to describe the values they wish to promote, for example, in their relationships with stakeholders. From the perspective of idealism, having to clarify their position on social justice and the natural world might encourage banks to act more morally. Together with impact disclosure, moral disclosure could be an essential tool to limit the consequences of green swans and the contribution of banking to environmental degradation and social injustice. In addition, this may render banks more accessible to assess issues of greenwashing and reappropriation in banking if moral frameworks had to be openly transparent. While the role of evaluating the morality of banks is still rejected by regulators or central banks today, the pressure to do it is growing (Barras, 2023; Dempere et al., 2024). Regulators could use a clear moral framework to assess the choices made by banks and their stated values and intentions. This, in turn, could help watch for possible misconduct by new ways of gauging potentially immoral behaviour, often cited as one of the parameters driving the financial crisis (Gordon, 2013).

Moreover, solidarity is not only a matter of shareholders and customers but also of employees, as the fieldwork showed. The motivation of employees by the bank's values created by a sense of authenticity, transparency and participation, also contributes to the solidarity of ethical banking. Therefore, the current regulatory framework, emphasising the separation of front and back offices to improve rational decision-making, could be adjusted based on the findings of this study. Allowing employee each role to experience the values, such as meeting with stakeholders, being informed with transparence about the strategic decisions of the bank, or taking part in participative arenas of discussion, were all part of the solidarity seen in ethical banking in this research. Hence, there is a reason to consider solidary relationships when emphasising the separation of power in banking in a way that considers solidarity.

This distinct regulatory approach could first be applied to banks claiming to be ethical, where they could be assessed differently by regulators, evaluationg their current specificities, especially in terms of solidarity.

In turn, regulators could also ensure that the alleged moral values to provide more solidarity are well defined and applied, as discussed above. This could help to make regulation flexible towards alternative forms of banking that integrates a solidarity model and to create instruments to ensure that ethical banking remains moral.

Finally, as highlighted in this research, the inclusion of a perspective beyond economic utilitarianism requires a new set of evaluation tools. In ethical banking, this was emphasised in democratic participation as the preferred way of liberal and democratic values, following the historical perspectives of Illich or Arendt, reclaimed by ethical banks and degrowth advocates alike. Imagining participatory arenas for citizens to assess the legitimacy and consistency of the moral frameworks of banks, as well as aligning with them on activities, could be a way to respond to the second degrowth critique of the lack of democratic control in the field of banking.

What has been suggested for regulators also applies to modern banks. By creating a more explicit moral framework, banks could develop a sense of solidarity between them and their stakeholders, which could make their model more resilient. But it would also mean that they would be subject to additional moral scrutiny, which is not valued in modern banking. Indeed, as Arendt showed, most moral decisions associated with the political arena have been transferred to the economic arena, creating a sense of privacy in the handling of such matters. In a consequentialist framework with a negative interpretation of freedom, individuals or organisations are free to act as they wish as long as this does not affect the freedom of others (Sen, 2000). Transferring this freedom of choice to democratic control to create higher solidarity may not fit well with the moral framework of modernity (Constant, 1819). For banks, this may be seen as an intrusion into their privacy and a restriction of their freedom.

This shows that to transition the current banking model towards degrowth principles, the moral framework needs to change accordingly. Indeed, the challenge to modernity posed by degrowth principles, as indicated in the case of ethical banking, in most cases, reflects a specific set of ideas about what constitutes freedom or progress. The implementation of degrowth-inspired actions, such as participation arenas to democratically create a shared moral framework, requires a different set of moral justifications to be valued and legitimised by the current banking system; otherwise, its application could simply threaten the current functioning of the system, fragment relationships within it, and lead to worse social injustice (Tokic, 2012). Furthermore, as this research has shown, there is an important self-reinforcing relationship between challenging both productivism and individualism together. A partial implementation of degrowth principles would not achieve the same positive reinforcement mechanisms, as illustrated by the problems of banalisation in cooperative banking, a historical solidary banking system, shown to primarily target the individualistic value of modernity (Roux, 2012; Swaton, 2015). According to this perspective, an 'all or nothing' approach to banking degrowth alternatives would be preferable for implementation in banking, illustrating the difficulties faced by degrowth.

In addition, this research outlined how ethical banks offer an alternative solution to the subjugating nature of the current modern economic system, informing on processes to be encouraged or abandoned. From a Marxist perspective, the modern economic system is inherently violent towards individuals who are turned into instruments. The reasons for this subjugation are linked to systemic pressure, which, at the individual level, can range from the pressure to remain employed to managerial, social or even cultural. Together with the individuation process of modernity, which makes individuals vulnerable, this pressure can contribute to alienating individuals and acting in ways that do not create conditions for individual well-being as in the case of the worker-capitalist relationship. The Marxian perspective reflects how such pressure contributes to workers lending their labour to capitalists because of individual vulnerability, which supports the underlying system of subjugation that concentrates the means of production in the hands of the capitalists. Therefore, at the individual level, systemic pressure contributes to pushing individualised workers to produce maximum productivity at the expense of realising what is harmful to them. Today's modern banks should be aware of these forms of subjugation within their ecosystems and take care to exclude such relationships in their structure. This includes suppressing any financial incentive related to performance, increasing transparency, reducing power dynamics, especially in terms of hierarchy and remuneration, broadening the roles of bankers to increase their individual identity in the development of the bank also, and finally, offering stable working conditions. From a humanistic perspective, banks have a social role beyond production that deserves recognition. The appreciation of a social role leads to an imperative to adapt the structure and behaviour that make up modern banking towards greater inclusivity, care and deontology.

However, implementation of solidarity-based banking models motivated by a shared moral framework may not yet be feasible on a global scale; not all actors may be motivated by selfless moral values to foster solidarity. This may be particularly true in high-income European countries today, which are embedded in modern values that emphasise productivism and individualism. As a result, it may be difficult to move an entire industry to implement selfless moral principles in the current modern framework. Although, this is the way ethical banks operate, meaning that while changing all regulations drastically might be complicated, a first step might be to comprehend the moral framework of ethical banks with their stakeholders (including the regulators) and develop this alternative nature further.

Yet, as described in Chapter 7, ethical banks in high-income European countries are currently in the process of losing their identity and niche, making it more difficult to grasp moral framework. Ethical banking, needs to be updated in terms of its moral foundation and the purposes it serves. This is especially true in countries where relationships of care and support have been institutionalised within the public and private systems, making it more difficult for purpose-driven organisations to remain purposeful. Indeed, the social system in high-income countries reduces the visibility of social needs while concealing the fact that this system is weakening human ties in society by substituting certain forms of interrelationship (Illich, 1973). Thus, even in high-income countries, needs exist, but they are less about subsistence and more about conviviality and sustainability. Opportunities for ethical banking still exist, although they may be less evident than in the past.

Moreover, the ability of ethical banks to put forth their identity depends on them having a clear moral status. However, the current research revealed discrepancies in the collected discourses and a lack of precision when discussing their moral value. Arguments for ethical banks to openly delineate their moral framework were presented, including incorporating better accountability, resisting growth imperative and banalisation issues and maintaining their solidary relationships. On the contrary, an explicit moral framework might be opposed by ethical bankers, as it was often noted that a broad moral framework reflected best their humanistic values to include all stakeholder identities. In fact, a loosely defined framework was valued because it could evolve in response to their stakeholders. Is a clearly defined moral framework necessarily opposed to a looser interpretation? Does it have to be absolutist, like deontological frameworks? Taking, the framework of care ethics, which includes considering the context of each decision in moral dilemma, might this be an appropriate starting point for ethical banking? With these questions in mind, the framework of strong sustainability might be helpful for constructing a relationship to nature and describing a priority of sustainable values over productive values. Such a framework could be used to characterise ethical bank identity in a way reflecting the collected discourses and remaining sufficiently flexible to respect their humanistic values.

This could represent an important step as ethical banks may face even greater challenges and threats in the future. The rise of concurrent ESG practices in mainstream banks that operate with a modern approach may prove difficult to compete with. Indeed, modern banks are better able to play by the rules of the current system and benefit from market rewards than ethical banks. Therefore, it is likely that ethical banks will have to resist an increasing pressure towards banalisation, which would require a solid workable framework. If ethical banks lessen theirs objection to the attributes of modernity, even just one attribute, it could create a downward spiral of banalisation. For example, if they allow productivism to set in, they might quickly be reclaimed by modern banks or simply fail by losing the identity that keeps them relevant. Yet, their potential as described in this fieldwork, could prove crucial, particularly by helping decision-makers and regulators to apprehend an alternative way of doing banking, and providing the direction for implementing a degrowth narrative. Preserving their current identity should, therefore, be one of their utmost concerns for the future.

Ethical banks are operating in an environment that runs counter to their moral objectives and values and contributing to changing this environment will be crucial for their long-term survival. As they are politically motivated companies and have implemented political tools within their organisation, including participative discussion arenas, it would be reasonable for them to be politically active in changing their operating environment in line with their principles and activities. Lobbying regulators to consider their model, which ethical bankers described as already being negotiated on an individual basis, might be an essential step towards building a system in line with their values and perhaps towards degrowth banking. In addition to their focus on providing a living example of sustainability in banking, ethical banks could help legitimise their model in the democratic arenas of European countries. For instance, they could follow the degrowth critique and argue against growth imperative from systemic pressure and for developing higher democratic control in banking. Dedicated financial system transformation teams could be formed within each ethical bank to accelerate their impact, which is in line with the contemporary imperatives of climate change and social injustice.

However, banks are still banks. That means they must be commercially viable: they are not NGOs or charities. They require a degree of productivism and individualism within the current framework to remain solvent. This shows the limits and contradiction of banks in fully pursuing ethical objectives in the sense of ethical banking criteria, as they are faced with hard limits. These mitigating effects of their moral framework show that solutions must be diverse rather than unique. Solutions to current natural destruction and social injustice must consider the diversity of motivations and inspirations within society, as well as the limitations of banking in supporting selfless goals. This reinforces the perspective that changing banking is necessary to align scenarios with degrowth principles. Still, banking is only one type of institution among others and, therefore, cannot by itself integrate all forms of social and environmental solutions.

8.3.2 Banking As a Central Actor of Change

If banks can integrate ethical motivation in line with degrowth principles, their position in the economic system could make them an effective instrument for initiating a transition. In fact, in parallel to this research, a new model of an economy has been built to understand the influence that banks could have in a sustainable transition (see Annex F1, Barras F., Bida, M., (2024), Dual Green Interest: A Tool to Kickstart a Post-Growth Transition?- manuscript in preparation). This research evaluates dual green interest, a policy implemented by central banks that offers a lower interest rate according to a higher level of sustainability of the financed activity. For example, banks could propose lower interest rates for funding more sustainable activities, which would translate into cheaper loans for projects and companies that aim to protect the environment. This could help to encourage banks and other economic actors to focus on sustainable activities to have access to cheaper loans. The model aims to find the parameters that influence such an instrument to be effective in supporting a transition to a sustainable economy, defined as a post-growth scenario. Although a work in progress, the research highlights the unique ability of banks to influence the structure of society, and surprisingly to a more 'unproductive' type of society, as advocated in a post-growth scenario. The results are being analysed, but initial findings suggest that a dual green interest rate works best by increasing the level of interest on unsustainable loans rather than reducing the level on sustainable loans, acting similarly to a tax on the development of unsustainable activities.

Overall, this thesis research has shown that banks have the potential to integrate a broad definition of what it means to be a bank. By including a broader understanding of employees and stakeholders, banks are no longer defined solely by their economic attributes. In addition to their economic dimension, banks can be political; they can institutionalise care and solidarity into their model, and they can be deontological, putting principles, duties and care before profitability. Ethical banks widen the scope of what it means to be a bank by having a holistic model that better represents the diversity of human relationships found in societies. Based on these findings, this research offers new ways of considering sustainability and social justice within banking in the context of degrowth and its dual critique of banking.

8.4 Embracing Degrowth Principles for Resilient Economic Systems

In conclusion, this research has focused on the discourses of ethical banking to better understand how degrowth scenarios can be implemented in the banking system. It demonstrated that degrowth principles are currently fully capable of being used as a motivation by ethical bankers against modern imperatives and provided a strong case for creating a more resilient and humane banking system based on a dual reinforcing mechanism of incorporating a comprehensive challenge to modernity reflecting the degrowth critiques of banking. In fact, degrowth banking offers a way to represent the embedded nature of human beings in their social and ecological relationships, creating a strong motivation for bankers to contribute to selfless goals.

By rethinking freedom and autonomy, degrowth principles are legitimised as constitutive to organisations that can thrive within a system that limits activities to the boundaries of nature. Given the urgency of the current situation, degrowth scenarios are becoming increasingly attractive as a comprehensive response to the enormous challenge facing humanity. It is, therefore, crucial to contribute to research on degrowth transitions, which was the main objective of this research.

Finally, this study examined the discourse of ethical banks and bankers to explore their alignment with degrowth principles and provide insights into their potential role in challenging modern ideology within the banking sector. While the research faced significant difficulties, such as limited access and problematic interview dynamics, it also uncovered specific ways to address growth imperative in banking and the lack of democratic control. Assessing ethical banks in terms of their history and modernity outlined the current threatening trend of ethical banking towards a loss of identity, which is correlated with a lack of clearly defined moral frameworks.

This allowed the risks and opportunities of ethical banking to be identified that offered a definition of degrowth banking focused on four principles: solidarity, a clearly defined moral framework, a humanistic perspective and democratic participation.

Further, it suggested new possibilities for future research, in terms of ethnographic observation regarding the management of power dynamics within ethical banking, a crucial issue to understand better the implementation of participatory arenas of discussion and resistance to growth imperatives.

By highlighting the potential of ethical banks to provide pathways for implementing degrowth, this research contributes to the ongoing discussion on radically reassessing the foundations of sustainability in banking. In the future, further exploration of the role of ethical banking in the degrowth narrative could provide valuable support for better understanding the limits and possibilities of a transition based on principles that fundamentally contradict modern logic by aiming to reduce economic activity. Promoting selflessness and self-limitation in organisations originally designed for expansion is highly challenging, but this research supports the narrative that it is possible.

Liberal democratic values and principles offer an essential perspective for the well-being of society, and financial organisations can be used to this end. Fundamental changes are needed, especially in terms of moral values, and ethical banks are among the actors currently paving the way for such changes.

9 Epilogue

During this thesis, I was surprised by the number of resources dedicated to sustainability in all the banks interviewed, including modern banks. In one case, an informant described that more than 100 people were working on the sustainability strategy of the bank. This emphasises the crucial importance of assessing ideologies and values, especially when it comes to sustainability. Sometimes, even in the face of the urgency of the current problems, turning inward to the field of ideas, such as by looking at imaginaries and ideologies, can mean the difference between implementing a successful strategy and one that may do more harm than good.

Finally, all informants were very concerned and highly motivated to be part of the solution. Motivation is not lacking; human strength is not lacking - but time is. There is an urgent need to choose a path that will succeed in making the world respectful of nature, and I hope that this dissertation can be a part of it.

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Annex

A.1. List and attributes of ethical banks inspired by associationism.

Associationism	Crédit Coopératif	Unity Trust Bank	Fiare Banca Etica	Banca Etica	Total
Creation	1893	1984	2005	1999	**1893-2005**
Pays	FR	UK	ES	IT	
Legal structure	Coop	SA (plc)	SA	Coop	
Real Economy	Y ("Finance engagées")	-	Y ("El Manifesto De Banca Etica" 2014)	Y ("Our Mission")	**75%**
Transparency	Y ("Pour la transparence et la traçabilité")	Y ("Financial Profile")	Y ("El Manifesto De Banca Etica" 2014)	Y ("Transparency")	**100%**
Loan transparency	Partial (agregated data)	Partial (agregated data)	Y (extensive)	Y (extensive)	
Financial transparency	Y ("Pour la transparence et la traçabilité")	Y ("Impact Report 2021")	Y ("Con mi dinero")	Y ("with my money")	**100%%**

Environmental impacts transparency	Y ("Déclaration de performances extra-fiancières")	N	Y ("Rapport d'impact 2022")	Y ("PCAF")	**75%**
Ethical model transparency	Y	Incomplete	Y	Y	**75%**
Participation	Y ("Notre modèle d'affaires 2021")	-	Y ("El Manifesto De Banca Etica" 2014)	Y ("The Statute")	**75%**
Environmental protection	Y ("Finance engagées")	Y ("Who we are")	Y ("Impact report 2022")	Y ("Our Mission")	**100%**
Organic farming lending	Y ("La banque de la filière bio et du commerce équitable")	Y	Y ("Finance and agro-ecology")	Y ("Finance and agro-ecology")	**100%**
Social fairness	Y ("Finance engagées")	Y ("Who we are")	Y ("Impact report 2022")	Y ("Our Mission")	**100%**
Limited profitability	Y	N ("investor-relations")	Y ("El Manifesto De Banca Etica" 2014)	Y ("The Manifesto of Banca Etica")	**100%**
Ethical screening	Y ("Finance engagées")	Y ("Who we are")	Y ("El Manifesto De Banca Etica" 2014)	Y ("Our Mission")	**100%**

Negative criteria for ethical screening	Y ("Finance engagées")	Y ("Who we are")	Y ("Credit Policy")	Y ("Our Mission")	**100%**
Positive criteria for ethical screening	Y "(Prêt PREVair")	Y ("Who we are")	Y ("El Manifesto De Banca Etica" 2014)	Y ("Our Mission")	**100%**
Collected documentation	Homepage, agir pour la planète, agir pour une société pus juste, agir pour la solidarité internationale, agir pour entreprendre autrement, finance engagée	Delivering Impact, About Us,	quienes-somos, perfil-institucional,politica-de-credito, nuestrahistoria, responsabilidad-social, en-europa-y-el-mundo	About us, transparency, social-responsability, members-participation, BANCA ETICA'S CARBON ACCOUNTING	
Number of collected documents	6	2	5	5	**18**

A.2. List and attributes of ethical banks inspired by anthroposophical roots.

Anthroposophy	Merkur Cooperative Bank	Triodos Bank	NEF	GLS Bank	Cultura Sparebank	Ekobanken	Freie Gemeinschaftsbank	Total
Creation	1985	1980	1988	1974	1997	1996	1984	**1974-1997**
Pays	DK	PB	FR	DE	NO	SE		
Legal structure	Coop	SA	Coop	Coop	CU	Coop	Coop	
Real Economy	Y ("Annual Report 2021")	1980	Y ("Qui sommes-nous?")	Y ("GLS sustainability report 2021")	Y ("Value base")	Y ("About Ekobanken")	Y	**100%**
Transparency	Y ("Who are we?")	Y ("Our vision on impact")	Y ("Qui sommes-nous?")	Y ("Integrated Sustainable Report 2020")	Y ("Value base")	Y ("homepage")	Y	**100%**
Loan transparency	Y (extensive)	Y (extensive)	Y (extensive)	Y (extensive)	Y (extensive)	Y (extensive)	Y (extensive)	

Financial transparency	Y ("Lån til delkunder ")	Y ("Know where your money goes")	Y ("LA TRANSPARENCE DES FINANCEMENTS : OÙ VA L'ARGENT")	Y ("The bank in figures")	Y "(Loan projects")	Y ("vara-kunder")	Y	**100%**
Environmental impacts transparency	Y ("Impact report 2021)	Y ("Integrated Annual Report 2021")	Y ("LA NEF, L'ÉTABLISSEMENT FINANCIER AU PLUS FAIBLE IMPACT CARBONE EN FRANCE")	Y ("PCAF")	Y "(PCAF")	Y ("PCAF")	Y	**100%**
Ethical model transparency	Y	Y	Y	Y	Y	Y	Y	**100%**
Participation	Y ("Who is Mercury ")	Y	Y ("Qui sommes-nous?")	Y	-	Y ("Members")	Y	**86%**

Environmental protection	Y ("Who are we?")	Y ("Our vision on impact")	Y ("Qui sommes-nous?")	Y ("Why GLS Bank?")	Y ("Value base")	Y ("homepage")	Y	**100%**
Organic farming lending	Y "Klima, biodiversitet og rent vand: Økologiske landmænd skal blive endnu mere bæredygtige gennem nyt samarbejde"	Y ("Agriculture bio")	Y ("Filière Bio : la Nef soutient et accompagne ses emprunteurs et les acteurs du secteur")	Y ("Ernährung: natürlisch bio")	Y ("Landbruk")	Y "(Ekologiska ändamål")	Y ("Finanzierte Projekte")	**100%**
Social fairness	Y ("Who are we?")	Y ("Our vision on impact")	Y ("Qui sommes-nous?")	Y ("Why GLS Bank?")	Y ("Value base")	Y ("Sustaina	Y	**100%**

						ble banking")		
Limited profitability	"Reasonable earnings" ("Annual report 2021")	Y ("Our vision on impact")	Y ("Qu'est-ce qu'une banque solidaire?")	Y ("GLS sustainability report 2021")	Y ("Value base")	Y ("Sustainability Policy")	Y	**100%**
Ethical screening	Y ("Annual Report 2021")	Y ("Triodos Bank Lending Criteria")	Y ("Qui sommes-nous?")	Y "(Why GLS Bank?")	Y ("Value base")	Y ("Lending policy")	Y	**100%**
Negative criteria for ethical screening	Y ("Hvordan Merkur giver penge værdi")	Y ("Triodos Bank Lending Criteria")	Y ("Qui sommes-nous?")	Y "(Why GLS Bank?")	Y ("Value base")	Y ("Lending policy")	Broad criteria	**100%**
Positive criteria for	Y ("Hvordan Merkur	Y ("What we finance")	Y ("Qui sommes-nous?")	Y "(Why GLS Bank?")	Y ("Value base")	Y ("Lending policy")	Y	**100%**

ethical screening	giver penge værdi")							
Collected documentation	Hvem er Merkur?, Merkurs organisation, Her arbejder dine penge, Merkur og klimaet	Homepage, nos missions et nos valeurs, jobs, à quoi sert votre argent, secteur d'action, Communiqué de presse du 17.05.2022	Qui sommes-nous?, LE RESPECT DES HOMMES ET DE L'ENVIRONNEMENT, LA TRANSPARENCE DES FINANCEMENTS : OÙ VA L'ARGENT, LA FORCE DU COLLECTIF : NOTRE ORGANISATION, L'AUDACE DU CHANGEMENT : NOTRE HISTOIRE,QU'EST-CE QU'UNE BANQUE ÉCOLOGIQUE	homepage, warum-gls-bank, So wirkt grünes Geld, GLS Nachhaltigkeit, karriere, baufinanzierung, Rapport de durabilité 2020	About Cultura Bank, Hva er Cultura Bank?, Fakta om banken, Verdigrunnlag	Homepage, hallbarhet, om-ekobanken, sustainable banking, organisation, agande, policyer, historik	Homepage, Finanzierte Projekte, Über Uns, Unsere Grundsätze, Zahlen und Fakten, Organe und Beratende, Unser Bankmagazin transparenz, Betriebskultur und Nachhaltigkeit	

			? – LA NEF,QU'EST-CE QU'UNE BANQUE SOLIDAIRE ?					
Number of collected documents	4	6	6	7	4	8	8	**43**

A.3. List and attributes of ethical banks inspired by environmental roots.

Environmentalism	Umweltbank	Banque Alternative Suisse	Ecology Building Society	Total
Creation	1997	1991	1981	**1981-1997**
Pays	DE	CH	UK	
Legal structure	SA	SA	CU	
Real Economy	Y ("Nachhaltigkeits-und-Geschaftsbericht 2021")	Y ("Mieux connaître la BAS")	Y ("Ethics and sustainability")	**100%**
Transparency	Y ("Sustainability")	Y ("Mieux connaître la BAS")	Y ("Our 2030 Strategy")	**100%**

Loan transparency	Partial (agregated)	Y (extensive)	Y (partial)	
Financial transparency	Y ("sustainability & annual report 2021")	Y ("Moneta")	Y ("Our customer projects")	**100%**
Environmental impacts transparency	Y ("sustainability & annual report 2021")	Y ("PCAF")	Y ("PCAF")	**100%**
Ethical model transparency	M ("Our attitude")	Y	Y	**100%**
Participation	Y	Y ("Rapport de Gestion 2021)	Y ("Our 2030 Strategy")	**100%**
Environmental protection	Y ("Sustainability")	Y ("Mieux connaître la BAS")	Y ("about us")	**100%**
Organic farming lending	Y "Der Zukunft verpflichtet"	Y ("Agriculture Durable, Permettre de la valeur ajoutée pour l'environnement et les personnes")	Y ("Sustainable business mortgages")	**100%**
Social fairness	Y ("People")	Y ("Mieux connaître la BAS")	Y ("about us")	**100%**

Limited profitability	N (are quoted in the stock market)	Y ("Mieux connaître la BAS")	Y ("about us")	**100%**
Ethical screening	Y ("Sustainability")	Y ("Mieux connaître la BAS")	Y ("Morgages")	**100%**
Negative criteria for ethical screening	Y ("Sustainability")	Y ("Mieux connaître la BAS")	Y	**100%**
Positive criteria for ethical screening	Y ("Sustainability")	Y ("Mieux connaître la BAS")	Yes ("Morgages")	**100%**
Collected documentation	Homepage, ueber-uns, nachhaltigkeit, haltung, beteiligungen, geschichte, Unsere Grundsätze für Anlageprodukte und Finanzierungen	Homepage, Le Monde de la BAS; was-sie-davon-haben-dass-wir-anders-sind-als-andere, ecologique-sociale-transparente, nos-principes, collaborer	about-us, our-history, sustainability, 2030-strategy, Rapport annuel 2021, Rapport Strategy 2030	
Number of collected documents	7	6	6	**19**

A.4. List and attributes of ethical banks with unknown inspiration

Unknown	Charity Bank	Total
Creation	2002	2002
Pays	UK	
Legal structure	SA	
Real Economy	Y	100%
Transparency	N	0%
Loan transparency	N	
Financial transparency	N	0%
Environmental impacts transparency	Y ("PCAF")	100%
Ethical model transparency	Incomplete	0%
Participation	N	0%

Environmental protection	Y ("Charity Bank Impact Report 2020")	**100%**
Organic farming lending	Y ("About us")	**100%**
Social fairness	Y ("Charity Bank Impact Report 2020")	**100%**
Limited profitability	Y	**100%**
Ethical screening	Y ("Charity Bank Impact Report 2020")	**100%**
Negative criteria for ethical screening	N	**0%**
Positive criteria for ethical screening	Y ("Charity Bank Impact Report 2020")	**100%**
Collected documentation	About us, our social impact,	
Number of collected documents	2	**2**

B.1. Socio-demographic of informants, interview dates

Alias	ITW date	2nd ITW date
Judy	February 2020	
Sam	February 2020	
Sarah	February 2020	
Elisabeth	February 2020	
Denise	April 2021	
Ken	April 2021	
Perry	April 2021	
John	September 2021	October 2021
Victoria	October 2021	
Michael	October 2021	September 2022
Bill	April 2022	
Julianna	April 2022	

Christopher	June 2022	
Lucy	July 2022	
Theodore	July 2022	
Aloma	July 2022	July 2022
Sean	December 2022	
Stephanie	December 2022	
Elena	December 2022	
Grace	December 2022	
Christa	January 2023	
Molly	January 2023	
Maya	January 2023	
Nick	January 2023	

B.2. Socio-demographic of informants, job information

Alias	Type of institution	Position	Time in position (in months)
Judy	Ethical Bank	Manager	108
Sam	Ethical Bank	Client Advisor, retail	27
Sarah	Ethical Bank	Credit Officer	3
Elisabeth	Ethical Bank	Credit Officer	24
Denise	Conventional Bank	Sustainability Officer	84
Ken	Conventional Bank	Sustainability Officer	40
Perry	Conventional Bank	Sustainability Officer	168
John	Ethical Bank	Co-CEO	132
Victoria	Conventional Bank	Sustainability Officer	13
Michael	Spiritual	Editor	105
Bill	Ethical Bank	CEO	48
Julianna	Ethical Bank	Sustainability Policy and Innovation Lead	108

Christopher	Spiritual	CEO	420
Lucy	Ethical Bank	Loan officer	24
Theodore	Ethical Bank	Senior manager	240
Aloma	Ethical Bank	Marketing & Communication	132
Sean	Ethical Bank	Marketing & Communication	108
Stephanie	Ethical Bank	Marketing & Communication	24
Elena	Ethical Bank	HR Officer	276
Grace	Ethical Bank	Head of communication	180
Christa	Ethical Bank	Head of Corporate Banking	156
Molly	Ethical Bank	Head of HR	18
Maya	Ethical Bank	Loan officer	180
Nick	Ethical Bank	Marketing & Communication	348

B.3. Socio-demographic of informants, personal information

Alias	Education	Age	Gender	Country
Judy	Higher education	35	Female	CH
Sam	Apprenticeship	30	Male	CH
Sarah	Higher education	25	Female	CH
Elisabeth	Higher education	30	Female	CH
Denise	Higher education	40	Female	DK
Ken	Higher education	50	Male	CH
Perry	Higher education	50	Male	CH
John	Higher education	40	Male	CH
Victoria	Higher education	25	Female	FR
Michael	Higher education	40	Male	CH
Bill	Higher education	50	Male	UK
Julianna	Higher education	40	Female	UK
Christopher	Higher education	70	Male	CH

Lucy	Higher education	25	Female	CH
Theodore	Higher education	50	Male	CH
Aloma	Higher education	45	Female	CH
Sean	Higher education	30	Male	GE
Stephanie	Higher education	39	Female	GE
Elena	Apprenticeship	40	Female	GE
Grace	Higher education	40	Female	GE
Christa	Unknown	50	Female	NE
Molly	Unknown	40	Female	DK
Maya	Unknown	35	Female	FR
Nick	Higher education	60	Male	CH

C1. Interview Guide, February 2020

1/ What is your position in the bank?

2/ What is your background in a few words?

3/ How long have you worked here?

4/ What do the values of your bank mean to you? In particular in your day-to-day work?

5/ How does your work differ from that of a "traditional" bank?

6/ How do you feel about working at an ethical bank?

7/ How does your bank contribute to society?

8/ Could we imagine a society where there were only banks with the same model as your bank?

9/ What is the most important aspect of an alternative bank's business model? What has the most positive impact?

C2. Interview Guide, April 2021

Sustainability team :

- How many people involved in your teams especially on the subject of sustainability ?
- How do you feel about the support the your team have from upper management towards the policies and strategies you create? Do you feel your team have an influence on the bank's policy?

Bank strategy:

- Your bank pledge towards loan to stop coal and unconventionnal oil. Is it in discussion to go further in that direction? Perhaps including other strong emitting activities as well (for example, intensive animal farming), or even stop financing activties for ethical reason (for example, weapon manufacturers)?

- Does your bank calculate its loan emissions of CO_2 or does it plan to do it in the future ? Perhaps with PCAF?

Now I have some questions about you

Personal & philosophical question

- What is your background on sustainability?
- In particular, there can be more profitable sector in the banking industry: why choosing sustainability rather than say working in wealth management ?
- What is your view on profit and sustainability, can you have the two ? (Some studies shows you can have the same amount of profits, some says the same, some says less)
- More broadly, can economic growth and sustainability be compatible?

C3. Interview Guide, March 2022

Themes		
Should banks manage its impact on nature & society?	If so, why, and how?	If not, why, and how to avoid it?
Should banks try and steer society towards ethical or societal goals?	If so, why, and how?	If not, why? And have banks an influence on society or is it the other way around?

Should banks actively promote equality (in the bank, and through the funding of projects, initiatives, and companies)?	If so, why, and how?	If not, why?
Can a bank build a community?	If so, should it? Why and how?	If not, why?
Can a bank favor culture and how?	If so, why, and how? Is culture profitable enough to be included in banking business model?	If not, why?
Does spirituality play a role in banking?	If so, why, and how? Which spirituality?	If not, why? How to handle spiritual beliefs in a bank?
What is fairness in banking?	Should banking actively seek it?	If yes, why? If not, why?
Should profits be limited?	If so, why, and how? What is “limited profit”?	If not, why?
Should value-based banks be involved in lobbying?	If so, why, and how should a bank promote values in society? Should it be involved in politics?	If not, why?

Is charity important in your bank?	If so, why? And should it be done through financing charitable companies or facilitating access to funding?	If not, why?
Should banking be transparent?	If so, why, and how?	If not, why, and how should it protect its clients' privacy?
Is innovation important?	Banking innovation: if so, what kind of innovation and what role does innovation play?	If not, why?
Is innovation important?	Innovation in general in society: if so, what kind of innovation and what role does innovation play?	If not, why?

C3. Interview Guide, December 2022

Subject: the implementation of sustainability culture within the bank

BLOC 1. INDIVIDUAL.

Could you tell me a bit about your professional career?

Relance:

- What peaked your interest in joining your current institution?

How free do you feel within the bank?

- How is this freedom manifesting itself?

In which way has the bank helped you reach your lifegoals (if it had)?

- **If question on lifegoals: lifegoals are every goal that you have that if fulfil will help you live a better life**

Relances :

- Which means helped you achieve that?
    - If question about the mean: the means are all the tools the bank gives you to create a work environment that allows the employee to fulfil their own needs
    - If he/she asks for examples: having a nursery, possibility to do part-time work, or facilitation of transfer from a position to another
- In which way can you influence the work conditions required for you to fulfill your needs?
- How has the relationship you created through the bank contributed to fulfilling your goals?

BLOC 2. INSTITUTIONAL.

What does transparency mean to you in the context of banking?

If question: if transparency is a tool to an end, to what end is it useful?

Relance :

- How is transparency implemented?

How are the bank's employees asked to contribute to the strategy of the bank?

- (Personal note: horizontal organization?)

Relances :

- Which means exist to influence the bank's strategy?
- Do you feel you have an influence over bank's strategy?
- Do you feel heard ?

BLOC 3. REPRESENTATIONS.

What does your work represent for you?

- If so, what are the condition in the banks that allow you to feel that way?
    - Selection of eco-projects? Trying to change banking? Offering an alternative to people? Linking people together?
- How are these conditions put into practices?
- If not, for what reason?

Is there anything you'd like to add ? If something comes up later, feel free

D.1. All exclusion criteria of ethical banks.

Banque	Triodos			Co-Operative Bank			BAS			Fiare Banca etica			GLS		
X = Excluded / NF = Not Found / C = conditional	X	NF	C	X	NF	C	X	NF	C	X	NF	C	X	NF	Conditions
Pari	X			X				X		X			X		
Pornographie	X				X		X			X			X		
Tabac	X			X				X						X	
Armement: produit, vend, finance, ou a un lien avec	X			X			X			X			X		
Extrait, vends ou se fournit en minéraux conflictuels	X				X			X					X		
(Suspicion d') irrespect droit de l'homme, ou en lien avec	X			X			X			X			X		

Irrespect droit des travailleurs ou en lien avec (enfant)	X	X	X	X	X
Produit non-médical testé sur animal	X	X	X	X	X
Agriculture intensive (inclus pèche intensive)	X	X	X	X	X
Industrie à fort impact sur biodiversité	X	X	X	X	X
Deforestation (inclus huile de palme, soja, etc.)	X	X	X	X	X
Atteinte aux animaux/lieux protégés	X	X	X	X	X
Extrait ou vends du pétrole et autre source d'énergies minérales	X	X	X	X	X

Produit ou vend de l'énergie nucléaire	X	X	X	X	X
Produit ou vend produit issu de l'agriculture OGM	X	X	X	X	X
Produits chimiques industriels à risque	X	X	X	X	X
Industrie faisant de l'optimisation fiscale	X	X	X	X	X
Industrie à risque de corruption	X	X	X	X	X
Extrait ou vend des carburants (d'origine non minérale) à fort impact sur le réchauffement climatique	X	X	X		X
Méthodes marketing agressives	X	X	X	X	X
Bioaccumulateur et biopersistant	X	X	X	X	X

Différence salariale injustifiée	X	X	X	X	X
Lien avec des régimes dictatoriaux	X	X	X	X	X
Pratique commerciale déloyale	X	X	X	X	X
Empêchement de l'accès à des ressoures vitales	X	X	X	X	X
Exclusion ou marginalisation d'une partie de population	X	X	X	X	X
Biopiraterie et spoliation des terres	X	X	X	X	X

D.2. Frequency number of each criteria

Critères	Nombre d'occurrences	Pourcentage
1.1Elevage animal industriel	5	100,00%

1.2Agriculture intensive	5	100,00%
1.3Pesticides et OGM	5	100,00%
2.1Expérimentation animale non médicale	5	100,00%
3.1Destruction des zones naturelles protégées	5	100,00%
6.3Produits chimiques industriels à risque	5	100,00%
6.4 Pollutions et dégradations environnementales importante	5	100,00%
7.1Industrie de l'armement	5	100,00%
9.1Non-respect des droits de l'homme	5	100,00%

9.2Non-respect des droits des travailleurs	5	100,00%
11.3 Corruption	5	100,00%
3.2Mise en danger de la diversité biologique, culturelle, ethnique	4	80,00%
4.1Energie fossile	4	80,00%
4.2Energie atomique	4	80,00%
8.1Pornographie	4	80,00%
8.2Jeux de hasard	4	80,00%
12.1 Exclusion ou marginalisation d'une partie de la population	4	80,00%
3.3 Déforestation	3	60,00%
6.1Composés persistants	3	60,00%

6.2Bio-accumulateurs	3	60,00%
11.1 Lien avec des régimes dictatoriaux	3	60,00%
11.2 Pratiques commerciales déloyales	3	60,00%
12.3 Empêchement de l'accès à des ressources vitales	3	60,00%
1.4Biomasse issue de sources primaires	2	40,00%
5.1Matières premières rares sans cadre environnemental démontré	2	40,00%
8.3Tabac	2	40,00%
10.1 Modèle marketing qualifié d'agressif ou irresponsable	2	40,00%

10.2 Fraude ou évasion fiscale	2	40,00%
12.2 Biopiraterie et spoliation des terres	2	40,00%

D.3. All listed criteria of exclusion of 5 ethical banks

BAS	Triodos
Destruction de zones naturelles protégées	Alcool
Expérimentation sur les animaux pour les cosmétiques	Jeux de hasard
Mise en danger de la diversité biologique, culturelle et ethnique	Tabac
Entreprises de l'industrie chimique ou électrique, ainsi que les institutions financières n'appliquant pas	Pornographie
la transparence	Armes
Energie nucléaire	Non respect des droits humains
Industrie de l'uranium	Minéraux de conflit

Prestataires de services financiers et autres investisseurs qui financent des projets et des Entreprises	Non respect droit du travail (OIT)
tombant sous les critères d'exclusion	Expérimentation animale
Génie génétique visant à manipuler plantes, semences ou animaux	Elevage intensif
Entreprises qui produisent de l'énergie principalement à partir de la biomasse issue de ressources primaires	Pêche commerciale industrielle
Production et utilisation de pesticides et/ou de produits chimiques industriels	Fourrure et cuirs spéciaux
Industrie de l'armement	Nuisance à la biodiversitél
Pornographie dure	Déforestation
Entreprises pharmaceutiques qui ne proposent pas de stratégies d'accès aux médicaments en faveur des populations défavorisées	Energie fossile
Recherche sur des embryons humains	Biomasse primaire
Clonage humain et animal	Nucléaire

Biopiraterie	OGM
Spoliations des terres	Pesticides
Exploitation du travail des enfants	Industrie minière
Transgressions des conditions de travail définies par l'Organisation Internationale du travail de l'ONU (oit)	Matière première en voie de raréfication
Atteintes aux Droits fondamentaux de l'Homme des Nations-Unies	Consommation excessive en eau
Coopération avec des régimes dictatoriaux	Controverse salariales et/ou irrégularité comptable
Entreprises qui empêchent ou entravent l'accès à l'eau	Corruption
	Evasion fiscale
	Activité fortement émettrice de GES
	Toutes activités potentiellement nuisible, ne respecatnt pas les accords internationaux, et/ou n'ayant pas de stratégie de durabilité mise en place, et/ou sont impliqués dans des activités controversées.

Umwelt	**Banca Etica**

Protection insuffisante du climat	la production et la commercialisation d'armes ;
Utilisation accrue de l'énergie du charbon	un impact négatif évident sur l'environnement ;
Utilisation accrue de l'énergie nucléaire	l'utilisation et le développement de sources d'énergie et de technologies risquées pour l'homme et l'environnement ;
Armes nucléaires	l'exploitation du travail des enfants ; la violation des droits personnels ; le non-respect de contrats ;
autorisation de la chasse à la baleine	les activités de recherche scientifique qui conduisent à des expériences sur des sujets faibles ou non protégés ou sur des animaux ;
Restriction de la liberté de la presse et de la liberté d'expression	l'élevage intensif d'animaux qui ne répond pas aux critères du les normes de certification biologique ;
Tolérance de la discrimination de certains groupes de population	l'exclusion/marginalisation de minorités ou de groupes entiers de population ;
Ne pas garantir la liberté d'association	des relations directes avec des régimes connus pour leur mépris des droits de l'homme et/ou leur manque de rigueur, responsable de la destruction de l'environnement ;

Autorisation du travail des enfants	la marchandisation du sexe ;
Application de la peine de mort	le jeu de hasard
Insuffisance de la législation du travail	En outre, les trusts ou organisations ne sont pas éligibles au financement s'ils sont détenus par
Insuffisance de la législation sur les droits de l'homme	
Budget militaire élevé	
Régime autoritaire	
Indice de paix mondial faible	
Corruption	
Blanchiment d'argent	
Biodiversité	
Produit stupéfiant	
GLS Bank	
Energie nucléaire	

Charbon
Armement et armes
Biocides et pesticides
OGM
Produciton et utilisation industrielle des organochlorés
Polluant chimique
Produit chimique qui détruisent la couche d'ozone
Elevage intensif
Recherhce sur les embryons
Tabac
Alcool (produit stupéfiant)
Violation droit de l'homme
Biopiraterie
Violation droit de travail OIT

Expérimentation animale
Comportement environnemental controversé
Project impact massif sur l'environnement
Projet impact massif sur biodiversité
Combustible fossile
Ressource avec conflit
Pratiques économiques controversée (corruption)
Fraude fiscale

E1. Code book

Code	Description
competition	theme that related to competitive settings, attributes, or concepts
competition: comp_ethic&profits	described a competitive perspective between their ethic and profitability
competition: comp_regulation	described a competitive setting due to regulation
competition: comp_sufficiency	described a sufficiency perspective in terms of competition
competition: comp_sustainability	described sustainability as a competitive attribute
competition: comp_transparency	described transparency as a competitive attribute
hierarchy	theme that related to hierarchisation of people, structure, ideas, concepts
hierarchy: hie_collab	hierarchy in terms of collaboration
hierarchy: hie_equality	equality rather than hierarchy

hierarchy: hie_ethics	hierarchical type of ethics
hierarchy: hie_expertise	relating to expertise as a form of hierarchy
hierarchy: hie_help	hierarchy relating to a supporting perspective
hierarchy: hie_structure	hierarchy in terms of horizontal structure
hierarchy: hie_time	hierarchy in terms of time (preferred long vs short time)
hierarchy: hie_trust	hierarchy relating to a trusting hierarchy
history	theme that related to history
history: hist_roots	referenced to their roots
history: hist_values	referenced to their historical values
motivation	theme that related to experiencing motivation to work for the bank
motivation: mot_int_freedom	motivated by the freedom experienced
motivation: mot_int_relationship	motivated by the relationships
motivation: mot_int_learn	motivated by the learning experiences

motivation: mot_int_spi	motivated by the spirituality
motivation: mot_int_systemchange	motivated to change the system
Motivation : remuneration motivation: mot_int_values	Motivated by something else than remuneration motivated by the values
trend	theme that related to seeing their ethic or sustainability as trendy
trend: trend_attract	described attractiveness of their model
trend: trend_spread	described wanting to spread their model in the public

F.1
Dual Green Interest (paper in writing).

[Link to github]

Part 2. Définition des banques éco-sociales.

Analyse de troisième niveau des définitions des banques, résumés

Les mots clés proches, au sens similaire, sont agglomérés dans les word-clouds.

Transition écologique et sociale

Six des quinze banques éthiques choisies définissent explicitement dans leurs statuts des objectifs en lien à la transition écologique. Ici, ils sont divisés en trois expressions différentes : développement durable, un renouveau social, et un choix de partenariats explicite en lien aux objectifs globaux d'une transition écologique.

Développement durable (DD) - action de passer d'un état à un autre.

Une banque fait directement la promotion du DD à travers des leviers d'action par les activités bancaires, mais aussi par les activités extra-bancaire, tel que la communication et la recherche.

Dans le contexte environnemental, il y a les mots clés : « the protection, enhancement and rehabilitation of the environment [...], regeneration ». Dans le contexte économique, la rhétorique se focalise sur la construction : « environment consciout building practices ».

Banques & mots clefs :

1. Ecology Building Society Foundation: CF. mots clés

Mots clés :

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
développement durable	13	6	12.50	1	1	100.00
protection, conservation, réhabilitation, régénération	10	6	12.50	1	1	100.00
promouvoir, éducation, étudier.	10	5	10.42	3	1	100.00
environnement	13	3	6.25	4	1	100.00
public	6	3	6.25	4	1	100.00

Renouveau, alternative : action de passer d'un état à un autre – Durabilité « forte ».

Trois banques utilisent un vocabulaire qui a une signification d'opposition à la logique actuelle, avec des mots tels que : « alternatif » ou « renouveau », qui s'ancrent dans l'action de faire différemment de l'existant, de proposer quelque chose d'autre que ce qui existe actuellement. Ce renouveau, cet alternatif, est exprimé par les trois banques à travers des valeurs qui font appels à l'écologie, au bien-être sociétal, à la solidarité, à la culture, ainsi qu'à la liberté.

Deux banques utilisent le terme « renouveau » : la Triodos et l'Ekobanken, et une banque utilise le vocabulaire de l'alternative, la BAS.

Banques :

1. BAS : alternatifs, écologique, sociopolitique, culturel, autogéré
2. Ekobanken : renouveau social, durable, libre, égalité, solidarité
3. Triodos Bank : renouveau social, liberté, égalité, responsabilité, la Terre

Mots clefs : alternatifs, écologique, sociopolitique, culturel, autogéré, solidarité, durable, libre, égalité, responsabilité, la Terre

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
écologique	11	6	11.54	1	1	100.00
sociaux	7	6	11.54	1	1	100.00
alternatifs	11	4	7.69	3	1	100.00
libre	5	4	7.69	3	1	100.00
économique	10	3	5.77	5	1	100.00
culturel	8	2	3.85	6	1	100.00

Primeauté

Cette sous-partie ressemble passablement à celle précédente, à la différence près qu'elle n'explique pas explicitement vouloir offrir une alternative, ou un renouveau : les deux banques concernées expliquent uniquement leur choix de partenaire. Tout comme un prestataire de service pourrait vouloir se spécialiser dans le luxe, les banques concernées indiquent dans leurs objectifs vouloir travailler dans le domaine de la durabilité, de l'éthique, de la responsabilité sociale, etc. Ces activités et partenaires sont tous ancrés dans l'écologie , avec des termes ancré dans la durabilité, le bénéfice social et culturel, le non lucratif, l'équité, etc.

On ne retrouve pas de vocabulaire commun directement entre les deux banques, mais une logique concomitantes, par exemple : environnemental pour Banca Etica, et environnement sain, environnement.

« Projets durable » chez Cultura Sparebank qui englobe le « bénéfice social, environnemntal, et culturel » chez Banca Etica.

Banques :

1. Banca Etica : efficacité, sobriété, responsabilité, éthique, socio-économique, social, environnemental, culturel, non lucratif, humain, faibles et défavorisé
2. Cultura Sparebank : projets durable, humain, environnement sain, environnement.

Mots clefs : efficacité, sobriété, responsabilité, éthique, socio-économique, social, environnemental, culturel, non lucratif, humain, faibles, défavorisé

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
social	6	5	9.26	1	1	100.00
économie	8	3	5.56	2	1	100.00
environnement	13	3	5.56	2	1	100.00
humaine	7	3	5.56	2	1	100.00
durable	7	2	3.70	5	1	100.00
efficacité	10	2	3.70	5	1	100.00

Protection de la nature et de l'environnement (POV non anthropocentrique)

Trois banques éthiques indiquent directement vouloir agir en faveur de la protection, de la préservation ou de la conservation de l'environnement.

L'Ecology Building Society Foundation est la seule à utiliser des mots comme préservation, conservation, et les deux autres banques se basent sur les conséquences non économiques des actions économiuqes (Triodos : consequences of his economic actions, Banca Etica : conséquences non économiques).

1. Ecology Building Society Foundation : préservation, conservation, protection, environnement, ressources naturelles
2. Triodos Bank: is responsible for the consequences of his economic actions [...] **for the earth**
3. Banca Etica : conséquences non économiques, environnemental

Mots-clés : préservation, conservation, protection, environnement, ressources naturelles, la Terre, environnemental

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
économique	10	4	6.90	1	1	100.00
protection	10	3	5.17	2	1	100.00

social	6	3	5.17	2	1	100.00
action	6	2	3.45	4	1	100.00
conséquence	11	2	3.45	4	1	100.00
environnement	13	2	3.45	4	1	100.00
humain	6	2	3.45	4	1	100.00
promotion	9	2	3.45	4	1	100.00

Soutien à l'ESS

Deux banques éthiques se positionnent directement en faveur de l'économie sociale et solidaire et en font mention.

1. Crédit Coopératif : économie sociale et solidaire, mouvement des sociétaires
2. Ekobank : économie solidaire

Mots clés : économie solidaire, économie sociale et solidaire, mouvement sociétaires

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
social	6	4	10.53	1	1	100.00
économie	8	3	7.89	2	1	100.00
solidaire	9	3	7.89	2	1	100.00
représentation	14	2	5.26	4	1	100.00
vie	3	2	5.26	4	1	100.00

Soutien à l'équité

Six banques éthiques indiquent explicitement vouloir contribuer à la faveur d'une meilleure équité.

1. BAS : égalité
2. NEF : utilité sociale
3. Triodos Bank : égalité des droits
4. Ecology Building Society Foundation : améliorer les conditions des communautés défavorisées
5. Banca Etica : conséquences non économiques, droit de l'homme, bien commun, équitablement réparti, activités socio-économique, soutien [...] des femmes et des jeunes
6. Ekobank : vie sociale égale

Mots clés : égalité, utilité sociale, égalité des droits, communautés défavorisées, droit de l'homme, bien commun, équitablement réparti, socio-économique, femmes, jeunes, vie sociale égale

7. MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
social	6	8	6.90	1	1	100.00
économie	8	6	5.17	2	1	100.00

défavorisées	12	3	2.59	3	1	100.00
doit	4	3	2.59	3	1	100.00
égalité	7	3	2.59	3	1	100.00
soutient	8	3	2.59	3	1	100.00
vie	3	3	2.59	3	1	100.00
actions	7	2	1.72	8	1	100.00
communautés	11	2	1.72	8	1	100.00
conséquences	12	2	1.72	8	1	100.00
culturel	8	2	1.72	8	1	100.00
femme	5	2	1.72	8	1	100.00
homme	5	2	1.72	8	1	100.00
humain	6	2	1.72	8	1	100.00
liberté	7	2	1.72	8	1	100.00

notamment	9	2	1.72	8	1	100.00
renouveau	9	2	1.72	8	1	100.00

Soutien charité

Quatre banques éthiques soutiennent explicitement des initiatives caritatives dans leurs objectifs légaux.

1. Bank Kardista : [...] les institutions caritatives [...].
2. Freie Gemeinschaftsbank : [...] promotion d'initiatives caritatives [...].
3. Charity Bank: [...] promote any charitable purpose [...], charities, charitables purposes, charitable resources, charitable projects, charitable
4. Ecology Building Society Foundation: charitable

Mots clés : caritatives, charitable.

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
caritatives	11	7	8.14	1	1	100.00
promouvoir	10	4	4.65	2	1	100.00
public	6	3	3.49	3	1	100.00
bienfaisance	12	2	2.33	4	1	100.00
financiers	10	2	2.33	4	1	100.00

garanties	9	2	2.33	4	1	100.00
prêts	5	2	2.33	4	1	100.00

But spirituel

Trois banques éthiques font références à des mouvements spirituels. Une banque, la Mekur Andelskasse, exprime clairement son but comme étant instrumental à l'anthroposophie.

1. NEF : fraternité
2. Triodos Bank : anthroposophical movement, movement for religious renewal, Foundation Christian Community, Rudolf Steiner, anthroposophy
3. Mekur Andelskasse : anthroposophy, social threefolding.

Mots clés : fraternité, anthroposophy, anthroposophical, religious, religious renewal, Christian, Steiner, Christian Community

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
anthroposophique	16	5	15.63	1	1	100.00
mouvement	9	3	9.38	2	1	100.00

But à intérêt public

7 banques ont pour objectif de participer au bien commun, à l'intérêt général, au public…

1. Freie Gemeinschaftsbank : grand public
2. NEF : utilité sociale
3. Ecology Building Society : bénéfice du public
4. Banca Etica : bien commun, communauté
5. Ekobank : initiatives libres et publiques
6. Merkur Anderkasse : bénéfique à la société
7. Charity Bank UK : au bénéfice du public

Mots clés : Public, grand public, utilité sociale, publiques, société, communauté, bien commun

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
public	6	10	11.63	1	1	100.00
profit	6	4	4.65	2	1	100.00
communauté	10	3	3.49	3	1	100.00
charitable	10	2	2.33	4	1	100.00
développement	13	2	2.33	4	1	100.00

épargne	7	2	2.33	4	1	100.00
libres	6	2	2.33	4	1	100.00
sociale	7	2	2.33	4	1	100.00

Créer une communauté à travers la banque, la participation et la gouvernance horizontale

Six banques explicitent vouloir promouvoir la création d'une forme de communauté à travers leur institution bancaire.

1. BAS : communauté solidaire
2. NEF : esprit de fraternité
3. Banca Etica : bien commun de la communauté (utilisé aussi dans « public »), participation
4. Ekobanken : membres
5. GLS : membre, coopération, assistance mutuelle,

Mots clés : Association, associé

Communauté, communauté solidaire

Solidaire, union, mutuel

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
membres	7	10	6.71	1	1	100.00
coopérative	11	5	3.36	2	1	100.00
culturel	8	5	3.36	2	1	100.00
financiers	10	4	2.68	4	1	100.00

intérêt	7	4	2.68	4	1	100.00
associations	12	3	2.01	6	1	100.00
communauté solidaire	20	3	2.01	6	1	100.00
économie	8	3	2.01	6	1	100.00
objectifs	9	3	2.01	6	1	100.00
social	6	3	2.01	6	1	100.00
solidaire	9	3	2.01	6	1	100.00
administration	14	2	1.34	12	1	100.00
besoins	7	2	1.34	12	1	100.00
conseil	7	2	1.34	12	1	100.00
constitution	12	2	1.34	12	1	100.00
décision	8	2	1.34	12	1	100.00
entreprise	10	2	1.34	12	1	100.00

promotion	9	2	1.34	12	1	100.00

Lobbysme via la sensibilisation et l'information

7 banques indiquent explicitement vouloir influencer l'opinion du public à travers un travail de sensibilisation et d'information en faveur de la prise en compte des enjeux écologiques et sociaux, et aussi de l'impact de l'argent et de sa circulation. Par exemple, la EBSF indique clairement qu'elle veut avancer l'éducation du grand public par rapport au « to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote, study and research in such subjects provided that the useful results of such study are disseminated to the public at large »

1. BAS : information auprès du public, nouvelle **conscience**, position publiquement
2. NEF : plus **consciente** la circulation de l'argent
3. Crédit Coopératif : représentation
4. Ecology Buidling Society Foundation : education of the public, promote, study, research, disseminated to the public at large
5. Banca Etica : une fonction éducative, connaissance
6. Cultura Sparebank : develop perspectives

Mots clés : education, awareness, research (devrait être bien définit), seminar, conference, publication, knowledge

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
développer	10	6	4.55	1	1	100.00
société	7	5	3.79	2	1	100.00
public	6	4	3.03	3	1	100.00
sociaux	7	4	3.03	3	1	100.00
argent	6	3	2.27	5	1	100.00

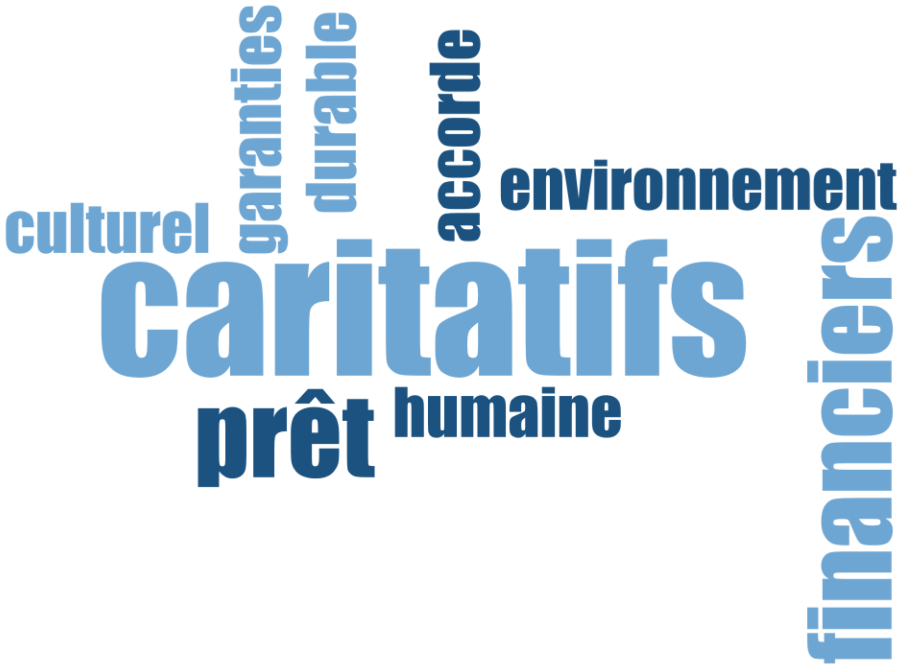
études	6	3	2.27	5	1	100.00
besoins	7	2	1.52	7	1	100.00
consciente	10	2	1.52	7	1	100.00
culturels	9	2	1.52	7	1	100.00
économie	8	2	1.52	7	1	100.00
éducative	9	2	1.52	7	1	100.00
faire	5	2	1.52	7	1	100.00
membres	7	2	1.52	7	1	100.00
organiser	9	2	1.52	7	1	100.00
rendant	7	2	1.52	7	1	100.00
responsabilité	14	2	1.52	7	1	100.00
sujets	6	2	1.52	7	1	100.00

Lobbysme via les activités bancaires

8 banques indiquent utiliser leurs activités bancaires au profit de leur éthique écologiques et sociale.

1. BAS : crédits d'encouragement
2. FGB : octroyant des fonds aux taux d'intérêts les plus bas possibles
3. Charity Bank : provision of loans and guarantees on beneficial terms, promoting the efficient and effective application, support and related assistance [...] to such loans
4. Banca Etica : orientant leur épargne et leur disponibilité vers la réalisation du bien commun, oriente ses dépôts
5. Cultura Sparebank : finance sustainable projects, contribute to create quality of human life, sustainable economy, vital natural environment.
6. Bank Kardista : aider financièrement
7. Ekobanken : favorise le développement sain d'initiatives libres et publiques
8. Mekur Andelskasse : work to provide and facilitate loans to free initiatives

Mots clés : encouragement, bien commun, sustainable, quality of human life, natural environment, sustainable economy, aider, libre, publique



MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
caritatifs	10	7	6.25	1	1	100.00
financiers	10	4	3.57	2	1	100.00
prêt	4	4	3.57	2	1	100.00
accorde	7	2	1.79	4	1	100.00
culturel	8	2	1.79	4	1	100.00

Recherche

durable	7	2	1.79	4	1	100.00
économie	8	2	1.79	4	1	100.00
environnement	13	2	1.79	4	1	100.00
épargne	7	2	1.79	4	1	100.00
garanties	9	2	1.79	4	1	100.00
humaine	7	2	1.79	4	1	100.00
libres	6	2	1.79	4	1	100.00
promotion	9	2	1.79	4	1	100.00
public	6	2	1.79	4	1	100.00
social	6	2	1.79	4	1	100.00
soutien	7	2	1.79	4	1	100.00

Recherche

Une banque fait explicitement référence à vouloir participer à des travaux de recherche et de publications dans les sujets du développement durable et de l'environnementaux au profit de la protection, de l'amélioration et de la réhabilitation.

1. EBSF : study, research

Un seul exemple : Word Count pas relevant dans ce contexte.

Lucrativité : « utile », limitée et/ou partagée

~~Sept~~ Six banques font références directement à ce que leur bénéfices soient limités, partagés, ou utilisé à bon escient.

1. BAS : renoncer aux **intérêts**, pas dans le but de maximiser ses profits, constitution de réserves, aucun droit au versement d'un dividende, prix d'une action fixé par le CA
2. Freie Gemeinschaftsbank : taux **d'intérêt** le plus bas possible
3. NEF : **juste prix**
4. Banca Etica : le profit [...] doit être **équitablement réparti**
5. Merkur Andelskasse : **not on economic gain**
6. ~~Cultura Sparekasse : capital can be **channelized** towards real needs~~
7. GLS : **not the realisation of profit**

Mot clé : pas dans le but de maximiser ses profits, taux d'intérêt le plus bas, juste prix, équitablement réparti, not on economic gain

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
profit	6	4	5.48	1	1	100.00
intérêts	8	3	4.11	2	1	100.00
argent	6	2	2.74	3	1	100.00
coopérative	11	2	2.74	3	1	100.00
prix	4	2	2.74	3	1	100.00

Réciprocité

Trois banques mentionnent l'importance de la réciprocité et de l'entraide.

Merkur Andelskasse : mutual assistance

Ekobanken : réciprocité

GLS : mutual assistance, mutual consideration

Mots clés : mutual assistance, mutual consideration, réciprocité,

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
mutuelle	8	3	11.11	1	1	100.00

Transparence

Deux banques mentionnent explicitement l'importance de la transparence dans leurs opérations.

BAS : droit de regards, ouverte, transparente

Banca Etica : transparence maximale

Transparence, ouverte, droit de regard, transparence maximale.

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
transparence	12	2	14.29	1	1	100.00

Intérêts bancaires

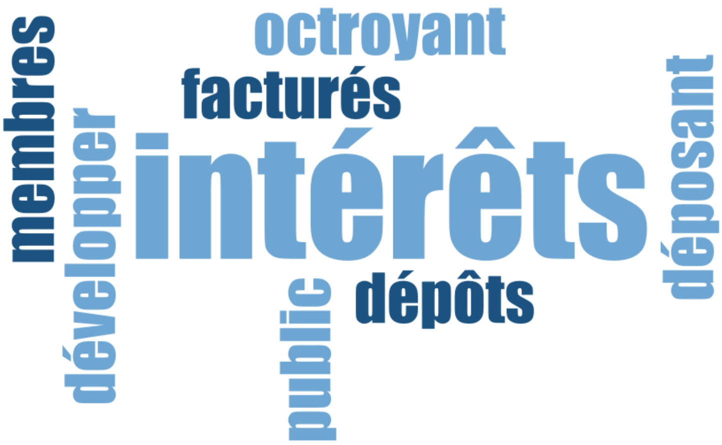
Trois banques mentionnent agir à travers les intérêts bancaires comme instrument pour des fins écologiques ou sociales.

*Redondant avec lobbysme via activité bancaire

BAS : renoncer aux intérêts

Freie Gemeinschaftsbank : taux d'intérêt le plus bas possible

GLS : the depositors (can) request a lower interest rate, interest shall be charged to non-profit members only to the extent necessary to cover the Bank's cost [...].



MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
intérêts	8	6	8.33	1	1	100.00
déposant	8	2	2.78	2	1	100.00
dépôts	6	2	2.78	2	1	100.00
développer	10	2	2.78	2	1	100.00

facturés	8	2	2.78	2	1	100.00
membres	7	2	2.78	2	1	100.00
octroyant	9	2	2.78	2	1	100.00
public	6	2	2.78	2	1	100.00

Culturel

Cinq banques mentionnent la culture comme faisant partie de leurs objectifs de favorisation.

BAS : culturel

Banca Etica : culturel

Ekobanken : culturelle

Bank Kardista culturels

GL : cultural

culturel, cultural, culturels, culturelle

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
culturel	8	9	10.47	1	1	100.00
social	6	7	8.14	2	1	100.00
économie	8	6	6.98	3	1	100.00
membres	7	5	5.81	4	1	100.00
coopération	11	4	4.65	5	1	100.00

association	11	2	2.33	6	1	100.00
durable	7	2	2.33	6	1	100.00
institutions	12	2	2.33	6	1	100.00
promotion	9	2	2.33	6	1	100.00
soutien	7	2	2.33	6	1	100.00
vie	3	2	2.33	6	1	100.00

Spéculation

Une banque, la BAS, parle indirectement de spéculation en mettant en avant que le prix de l'action ne sera pas déterminé par les machins mais par le conseil d'administration.

«(le) **prix d'émission actuel d'une action (est) fixé par le conseil d'administration**. ».

Banques mainstream.

Il existe trois thématiques différentes dans les banques qui peuvent être différenciée. Celles-ci semblent plus standardisées en termes de contenus et de vocabulaire, et elles visent toutes réellement

Celles-ci font plutôt appelle à des notions économiques, à l'exception de la Co-Operative Bank UK qui, depuis ses nouveaux statuts fait appel à un vocabulaire proche des banques éthiques. Celle-ci est un cas intéressant d'une banque « mixte » - mainstream mais qui s'apparente dans son discours à une banque « éthique ».

Le fonctionnement d'une banque.

UBS : fonctionnement d'une banque
Credit Suisse : fonctionnement d'une banque
Co-Operative Bank : the business of banking
Banco Santander l'activité bancaire
Swedbank : conduct banking business
Deutsche Bank : the transaction of banking business

MAXQDA 2020 Word frequencies

Word	Word length	Frequency	%	Rank	Documents	Documents %
opérations	10	4	11.76	1	1	100.00
bancaire	8	3	8.82	2	1	100.00
exercer	7	3	8.82	2	1	100.00
fonctionnement	14	2	5.88	4	1	100.00

Help businesses

Deux banques indiquent avoir comme but de se mettent au service des autres entreprises :

HSBC : to carry on the business

ING Group : pour les obligations d'autres entreprises et institutions

Word cloud : aucun mot redondant.

Provide services

1. BNP : to provide and carry out

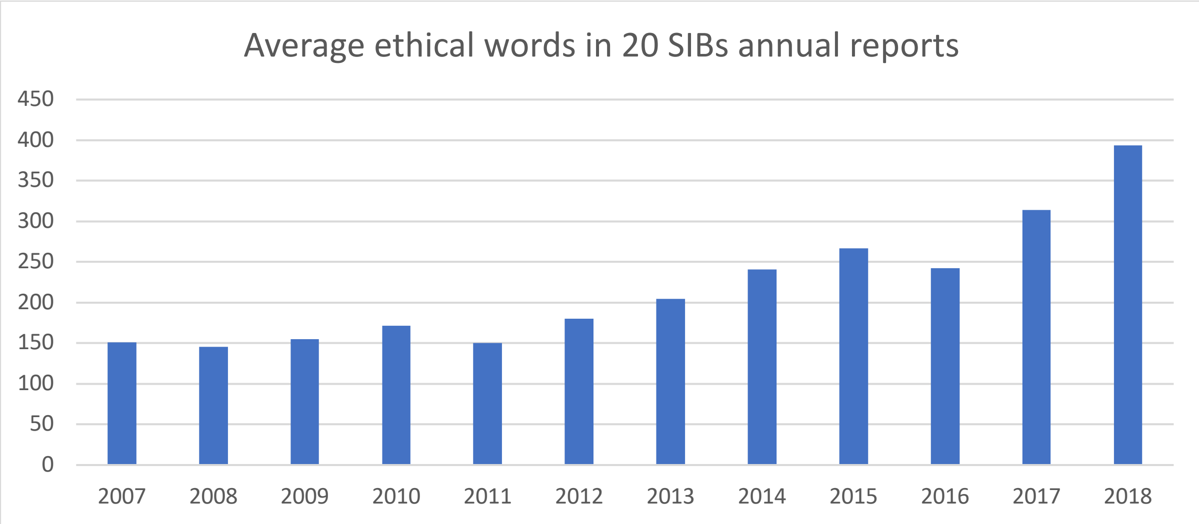
2. Arbejdernes LAndsbank : peut également exercer d'autres actiités accessoires
3. Alpha Bank : to provide services
4. Deutsche Bank : the transaction of banking business of every kind
5. Intensa Sanpaolo : la collecte de l'épargne et l'exercice du crédit
6. OTP Bank : : Core activity: TEÁOR '08 6492

MAXQDA 2020 Word frequencies

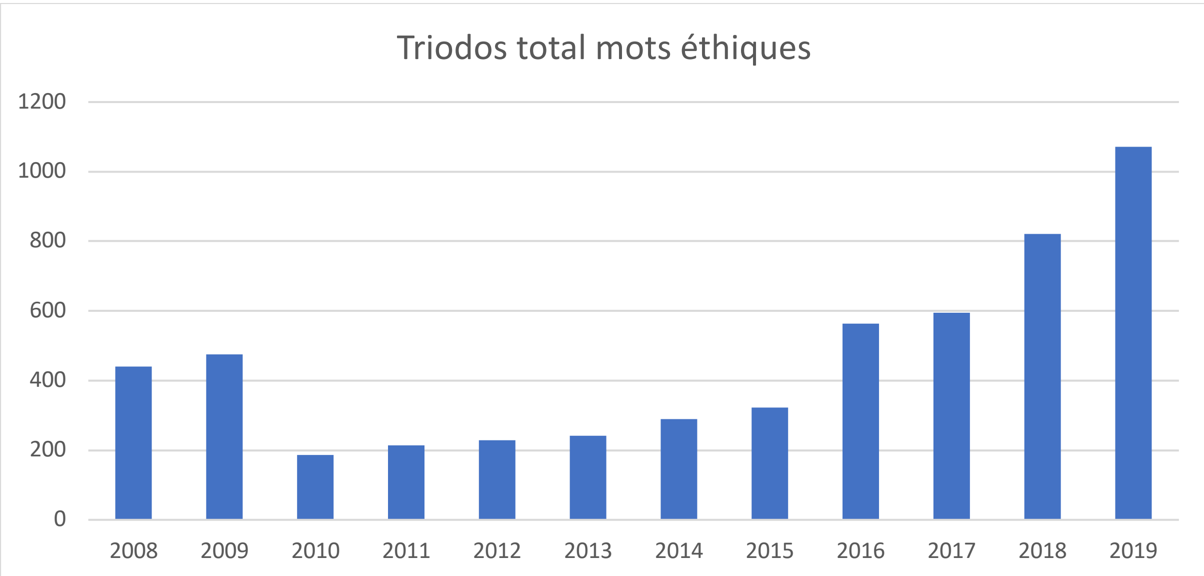
Word	Word length	Frequency	%	Rank	Documents	Documents %
bancaires	9	2	6.25	1	1	100.00
également	9	2	6.25	1	1	100.00
exercice	8	2	6.25	1	1	100.00
services	8	2	6.25	1	1	100.00

H.1

This figure provides the average the number of words found in annual reports of SIBs between 2007 and 2018 that are related to a normative perspective towards sustainability.



This figure provides the average the number of words found in annual reports of Triodos Bank between 2008 and 2019 that are related to a normative perspective towards sustainability.



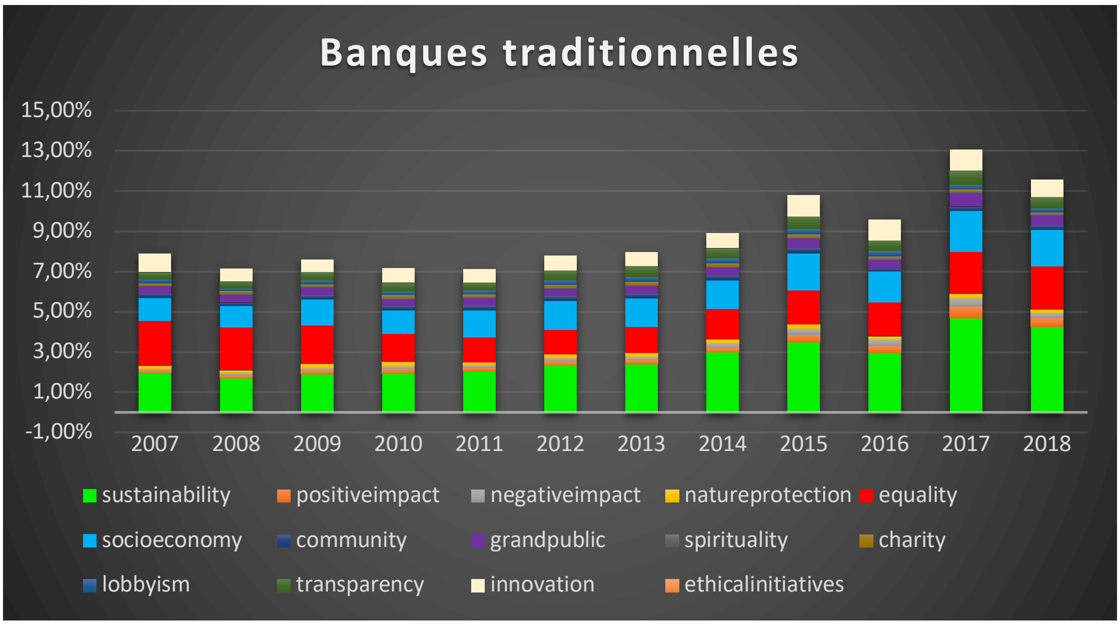
These words were further categorised into 14 categories :

1. Sustainability

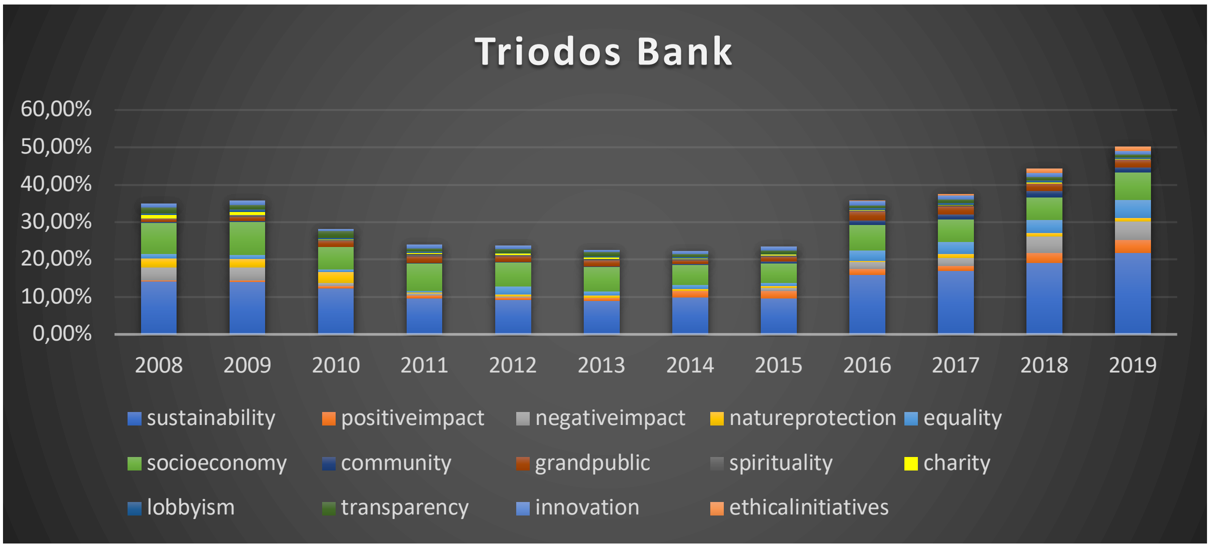
2. Positiveimpact
3. Negativeimpact
4. Natureprotection
5. Equality
6. Socioeconomy
7. Community
8. Grandpublic
9. Spirituality
10. Charity
11. Lobbyism
12. Transparency
13. Innovation
14. ethicalinitiatives

The evolution of these categories were further tested, assessed based on their proportion compared to control words to control for the difference in size between the years.

This figure provides the average percentage of categories found compared to control in annual reports of SIBs between 2007 and 2018 that are related to a normative perspective towards sustainability.



This figure provides the average percentage of categories found compared to control in annual reports of Triodos Bank between 2008 and 2019 that are related to a normative perspective towards sustainability.


Triodos Bank
60,00%
50,00%
40,00%
30,00%
20,00%
10,00%
0,00%
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
sustainability
positiveimpact
negativeimpact
natureprotection
equality
socioeconomy
community
grandpublic
spirituality
charity
lobbyism
transparency
innovation
ethicalinitiatives