

## **Identity building for ethical investment. From the institutional discourse to the promotion campaign of Oikocredit Austria**

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### **Abstract**

*To encourage social investment, Oikocredit has to attract potential financial backers while emphasizing a particular identity. Lenders need to know why, how, and for whom they invest their money. The whole activity of the organisation must be transparent and coherent. The Oikocredit logo reaffirms its goal of ‘investing in people’. Consequently, it must demonstrate this commitment to the improvement of the livelihood of poor people in the world, the promotion of fair trade and respect for the environment. This paper will analyse Oikocredit's different types of entrepreneurial discourse, which contribute to building its identity : the institutional discourse (websites, company reports and different types of publications), the managerial discourse (based on interviews and statements in the media), and the slogans used for the advertising campaign in Austria.*

**Key words :** *microfinance, identity, entrepreneurial discourse, communication, Oikocredit.*

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### **Introduction**

Today Oikocredit is one of the world's largest sources of private funding in the microfinance sector. It provides credit (microcredit and project loans) to trade cooperatives, fair trade organizations and small-to-medium enterprises in the developing world. The headquarters are in Amersfoort in the Netherlands, and regional and country offices can be found in 36 countries. The Oikocredit Ecumenical Development Cooperative Society was established in 1975, but the idea goes back to 1968, to a meeting of the World Council of Churches, when young church members called for an ethical investment instrument. Giving money to Oikocredit is not a donation but an investment, a supply of start-up funds for concrete economic projects. It is social business, where borrowers are not supplicants but contract partners with equal rights. Investors give loans to Oikocredit who diffuses it to NGOs, cooperatives, and MFIs, providing borrowers around the world with money while respecting special criteria. Eighty percent of the borrowers are female, 55% come from rural areas. The credit volume is mainly distributed by loan officers in Latin America (46%), Asia (26%), Africa (15%) and Middle and Eastern Europe (9%). Seventy-nine percent of the loans are invested in micro-financing activities and 12% in agriculture (Oikocredit Austria Annual Report 2012).

To encourage ethical investment (and not donation), Oikocredit has to attract potential financial backers while emphasizing a particular identity. This paper will examine what identity Oikocredit is trying to build through its different forms of communication. As Oikocredit Austria, founded in 1990, in Vienna, is the fastest growing country agency in the world (in 2012, the number of investors and members increased by 25.7%, reaching a total of 3,462 people, and the value of placements grew by 34.1 %, constituting a sum of 42 million €, or \$54.5 million), the research will be primarily focused on this example. It will examine how, in the words of the president of the Austrian Oikocredit country office, Peter Püspök, the ‘Miracle of Confidence’ (‘Wunder des Vertrauens’) or the ‘Avalanche of Confidence’ (‘Vertrauenslawine’) was triggered during the last two years. A quantitative survey of 1000 people was conducted for Oikocredit Austria by the Institute for Motivation Research Karmasin (2012) in September 2012 which had the objective of establishing the notoriety and acceptance of microcredit within the Austrian population. It showed that the awareness about microcredit grew considerably between 2009 and 2012, and that the respondents between the ages of 31 and 50 with a higher education level are the most informed about this kind of investment.