

## **Achievable Ideals**

Is it possible to work for the common good? A Filipino entrepreneur and banker shares how—even if you get kidnapped in the process.

By Francis Ganzon

My wife Tess and I were born in very diverse environments and socioeconomic classes, in various regions of the Philippines with different cultural traits.

I was born in an area that later became a hotbed of communism because of the extreme situations of the rich sugar barons and the poorer working class. My parents belonged to this latter group.

At the university, I became a leader in the leftist student organization and participated in various demonstrations in an effort to speak out for the voiceless masses I saw suffering. I resolved that I would live my life to help bring about social justice at all costs, even through violent revolution if necessary.

Tess grew up in relative comfort with household help. Her mother was very religious, and her father was a professional who became a successful industrialist. He had started a small electric company, a textile factory and a small rural bank. Despite growing up in her comfortable home, Tess was in search of “something more.” Her eyes had been opened to the inequities in the society around her, and she too felt a certain responsibility to work for change.

We met while I was in law school. We were always confronted with the needs of people surrounding us: colleagues, relatives and household help, all of whom we embraced as members of the larger family of God. We tempered our own desires in order to use whatever resources our education and family were able to provide in pursuit of the greater common good.

After marriage, I left a law practice and we went to manage a farm and the rural bank established by Tess’ father. There we saw the chance to put our ideals into practice. Seeing each person as family, and working together, we established relationships of brotherhood to counter the feudalistic culture of the time. We organized the wives of the farm workers into a cooperative and taught them the value of acting together to minimize the costs of essential goods by purchasing rice and other staples in bulk.

## **Rural Finance**

The rural bank we took over was in distress from years of neglect. But we wanted to share our Christian values of seeing in each client a neighbor to love and to serve, instead of just a client to make money from. Slowly, the bank became a community of persons at the service of the larger rural community.

When we heard about Chiara Lubich’s proposal for a new kind of economy—the economy of communion—we understood that it was not enough to be comfortable in our own small world; but by enlarging the business, we could provide more employment, serve a larger public and generate more profits to be shared with the poor. We established eight more banking units all over the province and set up a management consultant service to help businesses deal with problems brought about by an ever-increasing competitive environment.

We continually looked for ways to share the benefits of our growing business with our employees by providing above-average wages, health and life insurance, profit-sharing plans and even stock options in order to concretize the desire to make each person feel that he or she was truly a part of the enterprise. We strove to give personalized service to our clients, such as

teaching an illiterate customer how to open a checking account to help in his small business, or helping a small livestock operator through a feasibility study to understand if he should borrow money for additional capital to make his business grow or not. Through everything, we tried to share the culture of giving, showing by example that actions in favor of the poor need not be the exclusive arena of a few good people.

### **Opportunities in Microfinance**

In 1997 the Asian financial crisis struck, and many businesses, big and small, were greatly affected. Business failures put banking institutions under stress, and we had to cope with many problems of foreclosures and the sudden lack of interest to expand on the part of our business clients. We were able to survive the difficult conditions, but we were still faced with the problem of a market that became very limited as credit criteria became more stringent. It was during this period that we heard of microfinance—lending to the poor without collateral. At that time, it seemed absurd for a bank to take such risks common only to non-government organizations that were distinctly tasked with aiding the very poor. Given the situation where risk management was such an issue of the day, could we really embark on a project with such radical implications?

We piloted the project first in a foundation that we had set up from the profits of the bank to serve the needs of the community. After a year of testing the technology and convincing ourselves that there was a good chance of lending to the poor successfully, we took the plunge and began the microcredit program as a service offered by the bank.

We undertook both the Grameen-type of group lending and then the individual microcredit program. The first entailed organizing women's groups in the barrios (poor neighborhoods), training them in credit discipline and group solidarity—the proper way to handle their businesses and the art of saving, even when they thought that the money was never enough for the basic things needed in life. In time, they discovered that they could save—small amounts at a time, but over a year or two or three, the amounts became meaningful and became their support for emergencies, the education of their children and so on. From small loan amounts (less than \$50), they were able to expand their micro-businesses, such as making candies to sell, operating a small neighborhood store, or selling vegetables and fish in the market. Weekly meetings were conducted to reinforce values, and slowly the women experienced the joy of belonging to a group. They also discovered their abilities to engage in other entrepreneurial activities together, such as putting up a rice store, or investing in chairs and tables to rent for barrio weddings.

For us, it meant employing an additional 50 young people, who were trained as credit officers, going out to the barrios and villages to organize the women, seeking out the individual entrepreneurs and educating them so they could avail themselves of this bank service.

Today, we have affirmed that microfinance is not only viable; it is the true instrument for development and reaching out to those more in need of access to credit. Aside from the poor with whom we share the profits of the bank as an enterprise of the Economy of Communion, we can, as a rural financial institution, serve the needs of the poor in the community directly. We bring the bank to their doorsteps and give them the possibility to discover horizons they had not explored before and that we are all brothers and sisters of one Father.

### **Kidnapped**

Four years ago, while on a short five-day vacation in one of the islands in our country, we were kidnapped by Islamic fundamentalists, together with 18 other people in the resort. We were scared, of course. But in the days that followed, because we tried to see our captors and fellow hostages as brothers and sisters to love, we lost our fear and tried to understand the aspirations and motivations of our kidnapers.

They were part of the most radical fundamentalist group. The government refused to negotiate with them. In fact, half of the time we were running from bullets of our own military, who were in pursuit of the group.

After weeks, we were released unharmed and returned to our family. When people ask us if we experienced trauma, we say that, on the contrary, our eyes were opened to the suffering of our Muslim brothers in the South, and that we realized we were still one country, one people, one family.

Shortly after, we had contact with two Muslim cooperative leaders, whom we offered to train in microfinance. With the board of directors of three rural banks, we shared our way of running the bank, with the aim of strengthening the rural financial system in their area. These interactions helped our own colleagues open their eyes and hearts to the plight of our Muslim brothers.

So, is it possible to work for the common good? Yes, if at the very least we see each person that comes into our life as our brother or sister.