

## The Dream Of My Parents Is Now Mine

An economist who studied in London, her life as a consultant ended when her mother called and said, "hundreds of women in Ayacucho - in village banks- they need you... She went to help them

**By Antonio Orjeda**

In neighborhoods and communities throughout the country there are women with few recourses who have formed groups to discuss and decide on loans amongst themselves. Their guarantee is their word, and their word is valuable. Village bank, this is the word the world uses to describe the system created by North American John Hatch and that, in Peru, was developed by the parents of Iris Lanao.

Finca Peru, this is what they call their organization for civil society (Iris incests that they are not an NGO), and Hatch- an old friend of the family- is a member of the board of directors. The daughter of Aquiles Lanao and Lucinda Flores is now at the helm and is sure that the village banks are no more then a tool to reach a more important objective: to empower women, and end inequality. Iris has always believed in this objective. She continues working to reach it thanks to the influence of her parents.

**In the 1990s her parents created the first village bank in Peru, they were over 60 years old at the time...**

My mom was 67 and my father, 70.

**It is difficult to believe that this began as a hobby of two retirees.**

This was not a hobby, but a desire to serve. This is the history- my parents arrived in Lima- from Ayacucho- as adolescents, they studied their, had careers, had seven children; my mother was a high school principal, my father was a consultant, upon retiring, they decided to build a home in Quinoa just outside of Ayacucho in which they would spend their last years.

**What year was this?**

It was 1979. They finished their house the same year the terrorist group Sendero Luminoso began their fight in the region. Their dream remained incomplete. The army evacuated them, but my father had given his word that he would complete a training project in the rural area, he decided to go. We (his children) were horribly afraid that something would happen to him.

**In 1990 they opened their first village bank**

My mother opened it to help the widows created by terrorism. I believe they were all members of an evangelical church.

**And she worked with these widows determined that together they would be able to remain in their homes.**

It was this that bound them. And, after they captured the leader of Sendero Luminoso Abimael Guzman (September of 1992), all of the NGOs began to return. They had left the area because of the threat they faced. My father was always proud that we had never given in to the threat. I feel that their strength of character, their will, has been an example to their seven children, and now almost twenty grandchildren.

**All this time, what were you doing?**

Consulting. Before starting my life with Finca I was a happy independent consultant (laughing)...

**How did you become so involved with Finca?**

Because my mother said to me: "You can help". Look, when the NGOs returned to Ayacucho and saw that there were 250 women organized into village banks, they decided to finance similar projects.

**These 250 women...**

They were the ones my mother had originally organized

**She loaned them money, and they gave her as collateral their word.**

If you were a women, and you wanted to work, or you needed to work... They started with loans of \$50, they could not give more.

**They believed in the power of someone's word. It was not crazy?**

In this they were pioneers. They destroyed the image that the poor are unable to save, that they wont pay, that they are unpunctual, that people who do not have more then an elementary education do not have the possibility of development... And look, now, in Ayacucho, they need thirty organizations like Finca to serve the number of clients.

**They discovered that women are excellent at paying their loans. What else did they discover?**

That women can save because she does it for her children's education, to improve her life; and, when they have a higher income, they improve their nutrition. But: "Why save for the long run? Because, before anything else, they think about their children. We (as a country) don not have a culture of saving and it is hard to believe that those who have so few resources are able to do what many cannot. Without a doubt, our clients have demonstrated that for every dolor we lend them, they have two in saving.

**You have demonstrated that the rural women of Ayacucho, Huancavelica, and Lima are able to grow.**

They can run a business perfectly, because their village bank is run like a business. A business in which they have to establish controls, transparent operations, and that they have to think carefully about, because it is their savings that they are loaning.

**John Hatch, the founder of Finca International and the creator of village banks, has said that in the world there is nothing like Finca Ayacucho.**

He says that we are "Taliban" fundamentalists because we have not strayed from our social mission to arrive at the self-actualization of women. In 1998 we canceled all of our debts and, since then, we use part of the profits generated by the larger and more mature banks- those in Lima and Huamanga, basically- to strengthen our programs in rural areas.

**Do you think that you, as a consultant educated at the school of business in London, was taken over by the dream of your parents and out in order what they created?**

I do not believe it needed to be put in order; I have helped them to add a little technical skill.

**How do you see the affect Finca has had in Ayacucho, the most violence stricken region in the country?**

When I arrived here, many of my colleagues told me, "Your mother changed my life; the happiness I have in my homes, I owe it to her". You do not know what satisfaction it gives me to here this.

**Fujimori is sold as the president who has improved all of Peru; he is the one who fulfilled the orders of the population. What truth do you think there is to this claim?**

I do not have any respect for Fujimori. But, who was it that paved the road between Lima and Ayacucho? This changed the lives of many women. Before, you had to go to Huancavelica and then Huancayo by night, and you did not see one light. He built it, and for this I ask: What could he have done if he were honest? How much could have been accomplished!

**Do you think he overstepped his position?**

Definitely

**You, as a change, have taught thousands to not beg, you have generated a culture of saving.**

Confidence. I believe that this is why our associates pay off their loans, because before nobody believed in them. They have learned to value themselves. For them, more important than the credit we offer them is what they have learned here. The gurus of microfinance criticize

organizations such as ours, which meet with associates every week, but for us the loan is no more than a vehicle for empowerment: we take advantage of every meeting as an opportunity for training.

**They Learn thanks to Finca Peru. What have you learned?**

That there are people with an enormous capacity to fight.

**What is the most extreme case that you have witnessed?**

I cannot stand situations where a father violates his daughter. There are cases of abandonment, and violence that also stand out to me; there are also situations that are even more terrible...

**Through this tool- the village banks-, Finca Peru instills in thousands of women a culture of respect...**

They have found a value in themselves, self-esteem, and confidence. There are women who come to meetings completely black and blue, others who never talk, but they all feel that they have found a network that will protect them. There have been cases in which all of the women have united and said to an abusive husband: "You do this again to this woman and we will make your life hard"

**To make it clear: Finca Peru is more than just village banks.**

It is a bank, but we take advantage of the situation. When women come for credit teach them a variety of lessons. Women who come only for the credit do not last long. But, women who stay receive more integrated services. The banks are our instruments.

**And to think, you took on all of this just to help your mother.**

I started trying to help my parents fulfill their dream, this ended up becoming my own dream. Today I know that I could be somewhere else- I have the qualifications and the experience to be a high level consultant-, but in Finca I am happy.

**PROFILE**

Name: Iris Lanao Flores

High school: Santa Rosa De Lima

Age: 56

Position: Executive Director of Finca Peru