

## **Creating the Credit Union Superior Values for Members and Community**

By Mr. Andrew So, Founder President of ACCU

### **The Renaissance of Credit Unions**

The heart of credit union value from its beginning has been its unique concept of human service in the economic field. The Renaissance in Europe and Romantic ancestors as well as great people in the world, all turned to the past for a renewal of their imaginations. We, in credit unions, are in great need of just such a renaissance of our own, a rebirth of idea, new language and new culture must be developed on which to base our values, beliefs, norms and behaviours accommodated to our own situation. The great Renaissance thinkers made continuous efforts to reconcile medicine and magic, religion and philosophy, everyday life and meditation, ancient wisdom and the most recent discoveries and inventions. We are not dealing with the same issues except that some of our theory and practice, in today's rapidly changing world, might have become a burden as well as an enormous achievement.

In our renaissance, we will find the words and deeds of our great credit union leaders inspiring and that the value they held dearly is timeless. They will lend meaning to our credit union movement past, present and future as well as to rekindle the spirit which has advanced our movement beyond the hopes and dreams of our beloved pioneer leaders.

#### Principles laid by Friedrich Wilhelm Raiffeisen (1818-1883)

The credit union idea was first conceived in the mind of Friedrich Wilhelm Raiffeisen, mayor of several villages of Germany during a time of great famine. He dedicated his life to the establishment of credit societies in his native land. The humanitarian ideals and experiences of Raiffeisen were the guideposts for those who followed in credit union work. Principles such as the common bond of membership, profit-sharing by the credit union members, and officers elected and serving as volunteers without pay are part of the credit union's tremendous heritage from Raiffeisen.

#### Alphonse Desjardins (1854-1920) fought usury

A French Canadian, journalist and legislative reporter, Alphonse Desjardins was the man responsible for planting the seeds of the credit union ideas in the New World where it was to flourish into a major economic institution. Disturbed over the exploitation of people through usury and guided by his reading about European credit societies, Desjardins formed the first credit union in 1900 at Levis, Quebec. He operated it for years at his own expense to demonstrate its purpose and value to the world. Desjardins subsequently helped to establish the first credit union in the United States in 1909, and cooperated in the development of the Massachusetts credit union law, first in the US.

#### Edward A Filene (1860-1937) built an economic movement

The man most responsible for the establishment of credit union as a national economic movement and force in the United States was Edward A Filene, Boston merchant and multi-millionaire philanthropist

who became one of the 20<sup>th</sup> century's outstanding prophets of economic and social progress. Filene gave of his time, his energy and his personal fortune to promote credit union ideas from the time in 1907 when he observed it in practice in India.

Rev Fr, MM Coady (1882-1959) worked for Human Betterment

Father Coady developed the Antigonish Movement in Canada that brought together impoverished, under-educated people to learn to read, think about causes of their poverty, and act together to solve their problems. Out of these "study clubs" came a variety of socioeconomic endeavours based on co-op philosophy and practices. He said, ".....For the people can do ten times what they think they can do." Fr Coady and his colleagues recognized the indispensable part of the credit union had to play in such a programme for human betterment and took a leading role in obtaining a Nova Scotia Credit Union Law.

Rev K Albrecht, SJ built a Movement Based on Human Values

Rev K Albrecht, SJ, General Director of Credit Union Counselling Office (CUCO), Indonesia said in 1970, "The main objective of CUCO is to initiate a genuine Indonesian credit union movement based on human values and to provide such services to the movement which are adapted and related to the prevailing human and social conditions and needs of the people, especially of the poor and marginalized."

Sister Gabriella Mulherin, MM : Faith, Trust, Reliance and Education

Sister Gabriella Mulherin, founder of the Korean Credit Union Movement said, "Credit union is the first step in any cooperative undertaking. The rich people can go into existing banks and borrow large amounts of money. But poor people do not enjoy that privilege, for they have no capacity to obtain sizable loans from any financial organizations. The concept of credit means faith, trust, reliance, and adult education."

Willingness to serve one another

Father John Collins, SJ, in setting up the SELA Office in Hong Kong in 1964 to promote credit unions, said that such a task would absorb all one's energy to work at grassroot levels with almost illiterate refugees from the mainland of China yet in a higher sophisticated financial and commercial environment. He regarded the philosophy of credit union as self-reliance and mutual help or more directly, love for one another which is proved by mutual trust and willingness to serve one another through savings together and lending to members through education and motivation sessions.

Father Charles J Young, CSC believed in Self Reliance

Fr Young, when asked to comment on the progress of the credit union movement in Dhaka, Bangladesh said, "It is very gratifying to note the progress and impact of credit unions. When I see members of credit union making economic progress by making savings through thrift and refunding

loans promptly, I know they have come a long way towards self-reliance.”

#### The Dindaeng Slum

The Credit Union Movement in Thailand can be acclaimed as a movement born out of love. Love of one's neighbour was a fire in every pioneer's heart. It is the story of the first volunteers who were close to the people with whom they wanted to work and to help; who decided to put their personal qualities and experience at the service of their fellowmen and women of the community. The first credit union volunteers worked as a team members of which were Fr Alfred Bonninque, SJ, Dr Chavalit Chitranukeoh and Mr Amporn Wathanavong of the Dindaeng slum, one of the biggest squatters areas of Bangkok in the 50's.

#### **Our Measure of Service**

The credit union was and continues to be the only financial institution created for the sole purpose of serving its members. This concept has been enunciated eloquently and emphatically over the years in the words and deeds of many credit union leaders. One of the most meaningful of these was a statement made by Thomas W Doig of the US (1896-1955), “We measure the credit union by the service it renders to its people. We're not interested in size in the credit union movement. We're interested in the heart of the credit union. Is it staying close to the sides of its members? Is it helping them in every social and economic and financial transaction that comes into their lives?”

#### **The Goal of Practical Brotherhood**

A significant contribution to world brotherhood has been one of the accomplishments of the international credit union movement. Dreams of extending this brotherhood further among new generations all over the globe is still one of the principal credit union goals. This great hope – expressing the practical idealism of the credit union movement – was clearly enunciated for credit union people in the famous phrase written by Roy F Bergengren, one of the founders of the modern-day credit union movement in the US. He said, “The real job of the credit union is to prove in modest measure the practicality of the brotherhood of man!”

#### The Poor Man's Prayer

Prayer and deep religious conviction played an important part in the establishment of the credit union movement. In the heart of all religions is the human value of love. The real job of the credit union is to put the value of love into practice. No words have expressed this concept of love more beautifully or more meaningfully than the prayer of St Francis of Assisi which was used as the official Credit Union Prayer since 1953. Alphonse Desjardins, in 1900 authored “The Poor Man's Prayer” – a prayer for the work of credit unions. The prayer written in French, was found years after Desjardin's death in a trunk with his personal belongings. It was reproduced and has since inspired

many credit union leaders.

#### First Credit Union in Asia and the Values of ACCU

Credit unions have proved to be valuable instruments for improving the economic life of peoples all over the world. The Vigan Credit Union, originally organized in 1938 on Luzon, Philippines, is believed to be the first credit union in the modern era to demonstrate this worthwhile service. This pioneer was first established as “Iglesia ni Cristo Credit Union”, survived World War II and occupation, was re-chartered in 1949 as the Vigan Credit Union. It was organized by the Rev Allen R Huber, Protestant clergyman from the US who personally organized over 30 Philippine credit unions before he and his wife were taken prisoners in the Philippines in World War II. Thanks to the growing strength of the credit union movement in the US and Canada, it was possible for the Credit Union National Association (CUNA) to develop a formal programme for World Extension of the credit union idea. A Far East Representative in the person of Jack L Kent of the US was appointed in the late 50’s to work with credit union people in the Philippines. When the Asian Confederation of Credit Union (ACCU) was formed, A A Bailey, Director of World Extension agreed to second Augustine Kang of Korea, the then Far East Representative of World Council of Credit Unions to be the Managing Director of ACCU. Service, self reliance, co-operation, mutual help are, among others, the values held dear to the hearts of the ACCU people, past and present. Mr Bailey rightly said, “The world is searching for a better world to live in, a world which the ACCU people are finding.”

#### Preserving and perfecting the gift

The organized worldwide credit union movement as well as affiliated organizations are the result of the vision, values, courage and tenacity of countless selfish pioneering souls. They have blazed the trail and cleared the way. They also helped to remind us of our debt to the past and challenged us to preserve and perfect the gift they have given us – this wonderful instrument for human welfare, the credit union. These values, high social and economic purposes of credit unions can continue to be served in these modern times, so long as we agree to dedicate our time and resources in service of our fellowman with zeal through the credit union idea.