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## The South Pacific Business Development Foundation: Fighting Poverty in Fiji

*I sincerely believe that by empowering the poor, we can eradicate poverty.*

—Greg Casagrande, Founder, South Pacific Business Development

As Greg Casagrande looked out the window of his modest office in Apia, Samoa, he pondered the difficulties that South Pacific Business Development (SPBD) faced in finalizing its plan to expand microfinance services to the island nation of Fiji. Fueled by his love of the island cultures in the South Pacific and his passion for helping people, Casagrande had founded SPBD in 2000 as a vehicle for combating poverty in the island nations of the South Pacific. He had spent the past decade developing a microfinance model that had been successful in the Polynesian nation of Samoa; in fact, SPBD's business model had been so effective at poverty amelioration in Samoa that Casagrande was featured on a "Making a Difference" segment on *NBC Nightly News with Brian Williams* and he was named "Person of the Year" in 2008 by the *Samoa Observer* (Samoa's national newspaper). SPBD encountered similar success when it took its microfinance model in 2009 to Tonga, another small Polynesian nation west of Samoa, and quickly expanded to a sustainable level of operations. Fiji, however, would be a very different market, with new difficulties and added complexities. Its unique cultural, demographic, and geographic landscape presented challenges SPBD had not previously faced.

Key to SPBD's success in Samoa and Tonga had been the implementation of the Grameen model of microfinance—originally developed in Bangladesh and consisting of modest loans (often less than US\$100) to teams of women microentrepreneurs. But would this model readily transfer to Fiji? Fiji's custom of *kere kere* required individuals to unconditionally share financial resources with extended family members. This practice had its roots in a strong culture of collective ownership observed in rural village life. Such pressure from family could be difficult for a businesswoman trying to build her enterprise. Adding to the cultural challenges, Fiji's ethnic diversity posed a question of relevance for SPBD's financial products. Would new financial products be required to serve different Indian and Melanesian communities not found in the ethnically homogeneous nations of Samoa and Tonga? Additionally, even if a financial services portfolio were created and the culture proved conducive to profitable microfinance operations, the main islands of Fiji were much larger than Samoa and Tonga, and the costs involved in reaching its isolated villages would be much higher, and possibly prohibitive. Finally, Fiji's volatile military government posed questions about the economic and political stability of the country, adding a level of uncertainty to any new venture launched there.

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