

Positive Valorization

An Interview with The Honorable María Eugenia Brizuela de Ávila

EDITORS' NOTE *María Eugenia Brizuela de Ávila currently heads Inversiones Vision, her executive coaching and consulting firm. Founder of Internacional de Seguros in 1997, she became the first female President of an insurance company in her country. She served as Minister of Foreign Affairs in El Salvador from 1999-2004, and was then elected first female president of a private bank, Banco Salvadoreño and Banistmo. She forged a strategic alliance and was elected CEO, keeping this position even when HSBC acquired a controlling majority in 2006. She pioneered a new function in the region becoming Corporate Sustainability Head for HSBC Latin America from 2007-2015. When she witnessed the number of elderly clients in the Bank who could not read or write, she helped launch a national literacy campaign and became a member of the Consejo Ejecutivo del Trienio de la Alfabetización. She sits on numerous boards and has received many awards.*



The Hon. María Eugenia Brizuela de Ávila

You served as Minister of Foreign Affairs in El Salvador. What interested you in public service and being a part of the government in El Salvador?

One of the first things I discovered in life was to find meaning and leverage my strengths for an inspiring purpose. Being the fourth child in a family of five, I grew up witnessing and absorbing my father's work ethic and love of country. But I was a girl, and back then, society did not expect much of me beyond marriage. When I graduated from high school, I was the top student in my class, but the school counselor downgraded me to second place to hand the first spot to a male classmate. When I challenged this, my father sided with him. My father refused to pay for university studies, only French civilization at the Sorbonne was an option, so off I went to Paris. After almost two years in Europe, I found meaning to my life and discovered that I would not find happiness in living the life my father wanted for me. I wanted to lead a life of service to my fellow human beings and my country. Against my father's will, I came back to El Salvador to study law and enrolled at the National University where I paid my way working at the courts.

When the Salvadoran Civil War began, my father and brothers were forced to leave the country. My father had no other option than to leave the family businesses in my hands. Through 12 years of civil war, my strong sense of purpose for my country guided

my efforts in managing my family's coffee farms, salt mine and funeral home. When the peace accords were signed, I began to serve in government institutions, including on the boards of El Salvador's Social Investment Fund and the Social Security Institute. I felt a calling to apply my private sector skills to public service. When a friend decided to run for president of El Salvador, he asked me to head his technical team and create his policy platform, which then became his five-year government plan when he won the election. When I was offered the position of minister of foreign affairs, I accepted enthusiastically as

I wanted to continue supporting the transformation of my country by building stronger relations with the world and overseeing international cooperation.

I genuinely wanted to make a difference and believed that serving in office at that moment was the best way to do so. With the support of a fantastic team, I could not have been in a better place to help the implementation of the country's development plan which I had helped conceive and to serve and support all different spheres of life, from education and health to infrastructure and border demarcations.

How do you describe El Salvador today and is the country effectively understood around the world?

I am proud of my country, its history, and its ongoing search for its own meaning. From Mayan civilization and Spanish colonization to the birth of our republic, military dictatorships and civil war, El Salvador today has one of Central America's richest cultures, but an incipient and fragile democracy.

El Salvador is a young country with 54 percent of its population under 30 years old. There is a challenge to create opportunities for them. With high immigration that tore families apart and deportation from the United States, specifically from Los Angeles, gangs rose in our country. Education has opened doors to girls, but glass ceilings or leaky pipes flush many of them out of a career path.

Coffee exports are less than 1 percent of the country's gross domestic product, but in the 1970s it was the most important export product. DR-CAFTA and other free trade agreements have helped shape El Salvador's economy around manufacturing, especially textiles. In 2019, textiles represented \$4.3 million or 15.8 percent of the GDP, followed by the commercial sector which represented 11.3 percent and construction which has had consistent growth at 5.8 percent of GDP.

Due to decades of migration, family remittances, a key variable in shaping our consumerism economy, have become an important part of our external flows, representing \$5.7 million or 21 percent of GDP in 2019.

El Salvador's fiscal situation is complicated as our external debt to GDP was 71 percent in 2019, leaving little space for productive loan engagement. Even so, according to the World Bank, our country has the potential to promote economic growth based on its strategic geographic location with access to important markets, a growing young labor force and a solid industrial base that could support the commercial sector expansion.

Crime has been a difficult issue to tackle. In 2015, murders reached a maximum of 6,425 which placed us as one of the most violent countries not in conflict. Homicides have diminished considerably and in 2019 we had only 2,368, with preliminary police data for 2020 at 1,325, a number influenced by the coronavirus lockdown.

Let me tell you a personal story that I think can answer your question about how my country is understood around the world. On my first trip to Europe as Foreign Minister, I was greeted by a colleague in what everyone would say is a developed country, so I was expecting a relatively knowledgeable person. He received me with a question that signaled the low level of importance that developing countries may be to the first world: "Welcome Chancellor, how is the war going on in your country?" To which I replied: "I am happy to be the messenger to say that we signed peace seven years ago." I understood then that a tree falling makes much more noise than a whole forest growing.

Many countries such as El Salvador are not effectively understood around the world. A joint effort from all citizens is required to show the world who we are and what we can be. When visiting a foreign country as foreign minister, I would always meet with the Salvadoran community and recognize their immense role as global ambassadors. In a visit to the municipal authorities in Milan, where over 40,000 Salvadorans reside, I asked about my people's behavior and how I could support them. The answer was so pleasing and realistic: "No need to worry about your laborious Salvadorans, only a couple take up drinking in the weekend, but we let them sleep it off in jail for a day. It is other immigrants we have to watch closer."

You currently are a member of several boards of for-profit companies. What is your vision for your participation in them and how do you define their purpose?

Another important aspect I found in my professional life is managing my energy. To be an active participant, you must know where your energy is coming from and where it is going, and then work to manage it. This helps me find my work-life balance to continue to serve, so I identify the spaces that fill me with energy and understand those that drain me of it.

Work in the private sector has always filled me with energy. It is an important pillar, with its innovative and productive capacity. It has been the driving engine to awaken the economy after the pandemic. The private sector's resilience through adverse situations has shined through with its rapid turn to virtual technologies and innovation in the different sectors. At the same time, businesses have responded to people's needs through their social responsibility programs, giving back to their communities in these unprecedented times.

As I participate on these boards, I strive to contribute to the recognition of a higher purpose, which is what drives these companies: a focus on being the best at what they do, doing it sustainably, and with a positive impact on the communities they serve.

Where do you see the greatest opportunities for growth for the companies in which you participate as you look to the future?

COVID-19 has created an even more important space for information and communications. This sector showed a positive variation of 3 percent in the economic activity volume index IVAE while the rest of the sectors were negative in the country, except for public activities. As a woman that has championed flexibility at the workplace to encourage and retain more women to participate actively in corporate responsibilities, I have been an advocate for the flexibility-based productivity that the pandemic has accelerated. There is now a huge opportunity for more women to work remotely, providing them with an important source of income and economic empowerment. Due to the fact women take on more responsibilities at home, such as child and elderly care, having access to a flexible time schedule allows them to remain involved both at home and at work. I see enormous opportunities in the companies in which I participate for more flexibility-based productivity.

Regional growth in Central America has been more important during the pandemic. I also see an opportunity for deepening intraregional trade, as modeled by the European Union. Nearshoring is an opportunity for the region as international companies reevaluate their manufacturing concentration in Asia, especially China.

Another opportunity is the synergy between the sectors in their digital evolution, such as the commercial sector and digital designers.

You have been a leader in business and government throughout your career. What do you see as the keys to effective leadership and does the same skill set apply to being effective in the public and private sector?

A key element to effective leadership I discovered along the way is positive valorization. Adopting a more constructive way of looking at the world, expanding my horizon, and gaining the determination to move forward – especially when things are not going well – has been

transformative to my life. I believe this applies to both the public and the private sector.

Let me share another example from my days as foreign minister. When I joined the Ministry, the first thing I did was to strategically define the most important objectives of my job. At the top of the list was the demarcation of the territorial border between Honduras and El Salvador. The rejection I received from my colleagues at the Ministry was hard to overcome as they tried to convince me not to engage in it, especially because no minister had embarked in it since the war we had with Honduras in the 1960s. I challenged this with a positive valorization of my own circumstances, the experts I engaged, the political will harnessed with the opposition, and the relations with important stakeholders in Honduras from many different sectors. One of the first Hondurans I visited to share my desire to start the border conversations was Catholic Cardinal Rodriguez Maradiaga, who immediately saw the benefits for the millions living along an unmarked and insecure border. When the government of Honduras agreed, we worked together through the Organization of American States and got the job done.

What do you tell foreign investors about the opportunities that exist in El Salvador and the strengths that the country offers from an investment perspective?

Speaking to foreign investors is an example of another key element to effective leadership: networking and identifying who can help us grow, building more solid relations, and expanding our access to opportunities. To reach out to potential investors you must have a clear message and a solid offer. El Salvador's free trade agreements with the region, many of which I helped negotiate as foreign minister, provide clarity in the rule of law and specific environmental and labor matters that guarantee investors a strong framework, such as that seen in the United States-Mexico-Canada Agreement (USMCA).

Our geographical proximity to the United States and access to European markets, facilitated logistics, and a young workforce are strong elements to consider. El Salvador enjoys price stability. Dollarization not only facilitates transactions with the world by neutralizing the exchange rate, it also helps maintain low levels of inflation, eliminating price uncertainty for businesses and households. Annual inflation was 0 percent in 2019 and -0.09 in 2020. The Salvadoran financial sector ranked 62nd out of 141 countries under the 2019 Competitiveness Index.

Another sector that has great potential is the energy sector. It accounted for 3.1 percent in 2019, which is a smaller proportion than others, but had growth of 8.3 percent in that year, influenced by renewable energy projects.

El Salvador has legislation for public/private associations that represents a great opportunity to generate efficiencies with infrastructure projects and services of general interest.

You devote your time and energy to supporting many causes and addressing societal needs. Will you highlight this work and do you see this as a responsibility of business leaders and leading companies?

My willingness to serve has driven me to be an active leader in the private sector, public sector and civil society sector. Addressing societal needs is a responsibility of not only business leaders, but also

everyday citizens. We all need to contribute in any way possible to make our world a better place, preserving nature, and advancing the quality of life. Let me share a couple of the causes I am involved with. I am honored to be a Senior Nonresident Fellow of the Atlantic Council and strongly support the Adrienne Arsht Latin America Center. The Atlantic Council's Adrienne Arsht Latin America Center expands awareness of the new Latin America across diverse communities of influence by positioning the region as a core partner in the transatlantic community. It focuses on Latin America's strategic role in a global context with a priority on pressing political and economic issues that will define the trajectory of the region now and in the years ahead. The Center's mission and regional allies have become even more important in today's context and so I contribute with my insights and local view.

I address societal needs by helping to formulate public policy at FUSADES, the most prestigious think tank in Central America, and by helping to economically empower women through Vital Voices. Additionally, I help to prepare youth in financial literacy, work readiness skills, and entrepreneurship as a member of Junior Achievement's global Board of Governors.

I am also Vice President of the Universidad Dr. Jose Matias Delgado in El Salvador where I help to prepare our students to be honorable professionals contributing to our country's development. As one of the first women members of INCAE Business School's Board, I support educating our regional business leaders.

I am a Commissioner at the International Commission on Missing Persons, an entity addressing the issue not only as humanitarian assistance, but also accompanying States that are legally obliged to investigate the fate and whereabouts of missing persons in an effective way, including the circumstances of their disappearance and supporting the families in their grief. I am particularly advocating support for missing migrants, as forced displacement has generated massive irregular migration flows, including those in Central America and the Mediterranean, which have resulted in large numbers of migrants going missing.

I was the first female member of YPO (Young Presidents Organization) from Mexico to Panama and still participate actively in helping us be better leaders and better persons.

You have broken many barriers during your career having served as the first woman Minister of Foreign Affairs in El Salvador and as the first woman to become president of a private bank and an insurance company in El Salvador. What do you tell young women beginning their careers about the opportunities that exist to lead in business and government?

I wish to continue speaking to young women about my example and dedication to service. The world needs more women leaders. Our driving purpose, our will to make a difference in the world, is truly what motivates women leaders to be successful. There are many opportunities out there, but women must be prepared for when they are presented to them, which is why I highly encourage continuous education for all women.

I encourage them to make sense of their lives, to find their own meaning, to manage their energy, to adopt a more constructive way of looking at the world with positive valorization, to connect, and to get involved. ●