

# **Ministers of Commerce: How Mennonites in Business Create Economic Hope for the Poor**

**Wally Kroeker, MEDA, Winnipeg**

In the early 1950s a tent revivalist visited Waterloo County, Ontario. Among other things, he challenged young Mennonites to consider “the ministry.” Many did. At least 18 of them ended up in formal ministry roles as a result.

One young man did not go into the professional ministry. His name was Milo Shantz. Although he too had been energized by the revival preacher, he decided to make his spiritual contribution through business.

It was unusual in those days to think of business as a kind of ministry (perhaps still is). Nonetheless, Milo Shantz felt he had certain gifts for business, and that these could somehow be used to express his spiritual identity. He became an active entrepreneur, first of all in the poultry industry, and later on in the business of hospitality, food services and residential care for seniors. He made it a goal to provide others with opportunity, and if you go to the St. Jacobs Market on a Saturday you can see his pride and joy – 600 vendors making a meaningful and wholesome living by following their muse in vegetables, baking and crafts. He sees them as family, perhaps a living illustration of democratizing capitalism.

There are various ways to describe Milo Shantz (and people like him). Some see him simply as a serial entrepreneur. Some see him as a successful effort to blend Anabaptist and business principles. Some see him in less flattering terms.

I would describe him as a Minister of Commerce, someone who used his talents and resources to do good in a way consistent with, and affirmed by, his Christian faith – to create meaningful jobs, to help the poor unleash their own productivity so they could in turn support their families, to advance the work of the church, and so on. In all these things he enlarged the role of business and infused it with new layers of meaning.<sup>1</sup>

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Thanks to my work with Mennonite Economic Development Associates (MEDA), I have been fortunate to encounter many people who entertain and process certain theological and social questions about the work they do and the rewards it brings, people who have a multi-tiered understanding of what it means to be a Mennonite with money.

- I think of a business owner who has made it a personal mission to help refugees achieve their dreams – through work. This company, which looks like a mini-United Nations, has provided employment for more than a hundred refugees from troubled countries.

- I think of a developer in Pennsylvania who seeks to locate new projects *not* where land is cheapest but in urban areas of great need, hoping for a “multiplier effect” that will spread benefits throughout the communities.

- A cabinet manufacturer sets an internal management goal of “serving the total person.” That means “we work safe, pray often, pay well, and communicate, communicate, communicate.” They pay special attention to job safety. Says one of its executives: “If you really care about people you’re going to create the kind of environment where they go home with the same number of fingers they came in with. You bring in the necessary investment in equipment and things so that their backs work 30 years later.”

- A manager in Manitoba’s Interlake says “My driving focus is to find the passion in people and then link that passion to their talents.”

- When Allon Lefever went to Wall Street to raise money for a public offering his presentation listed the company’s guiding values which highlighted items like integrity, mutuality, and treatment of employees. The potential investors liked the presentation overall but weren’t excited about the specific corporate values. One said, and I quote, “Great presentation, but get rid of the values; Wall Street doesn’t want to see this soft shit.” Allon held his ground, saying, “I don’t consider it soft shit. It’s a very important part of what we’re doing.” In time he won

them over, and says, “Even high-pressure investment bankers need to be reminded that there’s more to life than numbers and dollars.”

These are people who have chosen to run their businesses according to another bottom line. To be sure, they need their businesses to be sustainable, for a business that fails is not much help. They see their purpose as more than merely profit. In varying degrees, they see their stakeholders as including their workforce, their customers, their suppliers, their community, their church, future generations – and the poor of this world. One thing they all have in common is that they do not follow the famous dictum of Milton Friedman that the sole purpose of a business is to make money for its shareholders.

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I contend that the development of a Mennonite business consciousness over the past few decades reveals an emerging missional sophistication that other parts of the church should consider.

The image I present is of businesspeople who do not see their generosity primarily in terms of “wealth redistribution,” which is the dominant motif in most Christian discourse on the topic. They see their responsibility more profoundly as including “wealth creation,” by which I mean using money as a lever to produce sustainable outcomes (and hope) for others. They might even be inclined to point out that the commonly used biblical imperatives on money derive from an era where excess wealth was used in only three ways: 1) spend it on lavish living; 2) give it away; or 3) hoard it for future personal consumption. The biblical writers spent little time on the use of money for productive investment, thus caution is needed in transporting their message to today.

I contend that the formation of MEDA (Mennonite Economic Development Associates) has been pivotal in helping Mennonite entrepreneurs step to the plate to address global poverty. It has done so in two ways: one, by helping shape a self-definition as Ministers of Commerce, as noted earlier; two, by devising creative business-oriented solutions to poverty that bring hope.

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The workplace where Mennonites earn their Money is seldom seen as a locus of ministry. Ministry is usually confined to the walls of the church (or denomination) or to those activities designed to bring more people inside those walls. Ministry happens on Sunday. If the world of business intersects with “ministry” it is usually as a cash cow to be milked. There is little sense of any intrinsic value to the work of Monday to Friday. That is why the hierarchy of holy vocation often begins with a pastor or missionary on the top rung, and possibly teachers, heal-

ers and social workers on the next rung. People with the ordinary jobs that provide the goods and services society needs are far lower down the ladder. I'm reminded of the parent who reportedly said, "I have two children. One is in business, and the other is serving the Lord."

No doubt there are many – far too many – examples of people in business who have been heartless and greedy. My task here is to give some attention to those who have not.

MEDA is an organization of business and professional people who want to do their jobs and run their businesses according to God's will. They don't always succeed. They don't always run good businesses, they don't always manifest Christian virtues. But if they belong to MEDA, they have at some point made a commitment to at least think about it.

Another commitment they make when they join MEDA is to use business skills to alleviate poverty. Some will speak openly about having a second, or social bottom line. More and more now also speak of a third bottom line, meaning creation care.

In a sense, MEDA has been a global petri dish to fashion a new economic face for Mennonites to show the world.

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Here is some history. If you looked through the early MEDA archives you'd see photos of white-faced (maybe sunburned) Mennonite men riding around on the backs of pickups, trudging through jungle wilderness, and sitting under trees eating watermelon with indigenous Paraguayans. It is hard to imagine that back home in California, Manitoba and Ohio these same men were seldom seen in public without a suit and tie; they were men who managed companies that employed hundreds, maybe thousands, of people and did millions of dollars worth of business.

They came on the scene at a time when Mennonite refugees from Russia and Europe had been dislocated following the Second World War and had ended up in Paraguay. Other church organizations had generously provided these refugees with basic essentials such as food and shelter. But those who had left trades behind in the Old Country could not get the working capital they needed to establish businesses to provide goods and services in the Mennonite colonies. The South American banks wouldn't lend them money because they had no collateral or credit history.

Word of their need reached North America. More specifically, it reached the ears of Orie Miller, the grand patriarch of Mennonite Central Committee (MCC). At his urging, back in 1952, several Mennonite entrepreneurs flew to Paraguay to study economic conditions

and see how the needs there intersected with their own “treasure in jars of clay.”

In 1953, they then formed a new organization that would provide capital funds and personal engagement to develop enterprises that the community needed.

The overall philosophy was to help individuals in need to become self-reliant and economically self-sufficient.

Loans were made with affordable rates of interest. Members were assigned to sponsor certain projects and to visit their partners to provide ongoing encouragement. As the loans were repaid and some interest accumulated, other projects were proposed and new loans were made. No money was ever returned to the investors.

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The first project was the Sarona Dairy in Paraguay's Fernheim Colony. At the time, native bush cattle produced only a couple of quarts of milk per day.

MEDA formed a partnership with local farmers to clear some scrubland and import a high-grade bull for cross-breeding. Before long, milk production was boosted to four or five gallons a day. Today the Mennonite colonies furnish two-thirds of the dairy products in Paraguay. If you stay at any of the major hotels in Asuncion you will be served yogurt and chocolate milk from the Mennonite colonies.

The second MEDA enterprise was a small tannery which lacked the capital to operate properly. MEDA helped erect a building and secure essential equipment.

A cattle operation and a tannery led quite logically to MEDA's third project, a shoe factory. (You can detect the value chain of vertical integration.) MEDA provided the capital for a building and equipment. By the late 1970s the factory was producing more than 600 pairs of shoes a month. Other products were added, like cowboy chaps and motorcycle seats. The factory became an important producer of goods for colonists, ranchers and Indians in the area.

Not every MEDA project was successful. As in any business, there were fitful stops and starts. There were some hard lessons to learn.

One of these learning experiences was a large rice plantation. There was a local need, but no one in MEDA knew anything about rice farming. Unfortunately, that did not stop them, and crossing the border into Paraguay did not automatically increase their knowledge. Despite the expensive importation of drag-lines and pumps, only one good crop was harvested, and heavy losses were sustained.

As in missionary evangelism, it became clear that development has to start where the people actually are, rather than where we might like them to be. Lessons were being learned about appropriate technology.

Sometimes what people need is not a tractor but a good ox-drawn plow. MEDA was discovering, in the words of E.M. Schumacher, that "small is beautiful."

Another missiological lesson was that if you can't do it at home, you probably won't be able to do it overseas, no matter how good your intentions.

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The need for MEDA's type of assistance was immense, and invitations came from all over the globe. Soon MEDA found itself working in various countries of Africa. Eventually there would be more than 50 projects in Tanzania and another 31 in Zaire. There were projects in Somalia, Ethiopia, Ghana, Kenya and Nigeria.

One painful discovery during this period was that loans were often made by local committees on the basis of family ties, or friendship, or even to augment authority. We learned that if you give a village pastor the authority to lend money, you are combining spiritual power with economic power. When this combination is abused, it is a very potent brew, indeed. MEDA learned to practice sound lending based on business criteria.

The Africa years also taught important lessons about dependency – lessons that every generation needs to re-learn. Too often, borrowers thought North American money did not have to be repaid. Debts were seen as an imposition rather than as an obligation. Sometimes hard-nosed business tactics were needed – "If you don't repay, we can't lend to your neighbors." MEDA had to convey a lesson some of us learned as children – there is no Santa Claus.

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Today MEDA's membership numbers around 3,000. It operates a variety of micro-enterprise programs and production and marketing programs for rural producers. Last year it helped 2.6 million families in 44 countries. (Donations, \$3 million, leveraged by more than five-to-one to bring total revenues to \$18 million)

We are known worldwide for our expertise in micro-enterprise development, having been one of the pioneers of this movement. By offering affordable credit to those whose only other recourse was loan sharks, we proved that the poor are bankable. No doubt you have all heard of Mohammad Yunus and the Grameen Bank. Yunus is credited with starting this movement. Actually, MEDA was doing it even before he was. In 1973 Roger Friesen, who today lives in Winnipeg, began making micro-loans while on a MEDA assignment in Colombia. But that is not to take away from Mohammad Yunus who grew the movement to global recognition. Today there are 10,000 agencies doing

this kind of work, with more than 100 million clients, providing small scale market vendors and subsistence farmers with the same access to credit you and I enjoy when we flash our VISA cards or take out a home mortgage.

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How have these Ministers of Commerce brought hope to the poor, beyond the simple calculations of increased income and more bountiful crops?

I could regale you with anecdotes of how a small loan and business training have transformed lives for many thousands of street vendors and small producers who improved their livelihoods to where they could put a tin roof over their shack, give their children two (maybe even three) meals a day instead of one, pay school expenses so their children could get an education, and maybe even create a job for one or two or three other people. Let me share one story.

I had the good fortune to meet Vincenta Pacheco twice – first in 1990, and then a decade later. She was a microfinance client in Bolivia. She had been injured in a kitchen fire and needed extra money to pay her medical bills. A small loan enabled her to buy sewing equipment so she could set up shop as a tailor. The additional income covered her medical bills and eventually led to her being able to create some jobs for her neighbours. A decade later I went back to Bolivia on an evaluation mission. I asked the local staff if Vincenta was still around. Yes, she was. I went to visit her. Her little shop had expanded and she had created more jobs. I asked if she still needed microfinance loans. “Oh no,” she said, proudly. “Now when I need to upgrade equipment or buy fabric, I use my savings.” She was a wonderful example of creating not only hope, but also sustainability. Her story illustrates the difference between wealth redistribution and wealth creation.

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Through MEDA the Mennonite business community has shown considerable creativity in finding new and innovative applications for market-based initiatives. It has taken the skill-sets of business and bent them to new environments with both economic and social dimensions.

One of these is in Pakistan, working with homebound embroiderers who because of religious and cultural traditions are confined to their homes. The program is called Behind the Veil, and it provides marketing access to women embroiderers who are not allowed to leave the household. They do beautiful work but their designs are a bit behind the times because they can't get out in public. Their husbands try to sell their goods in the markets, but what do men know about what women customers really want – and will pay a premium for. So this

project arranged a series of female marketing go-betweens who visit the women and then go to the market and bring back design ideas that are commanding better prices.

Many of these homebound embroiderers are routinely abused by their husbands. The law seems to allow it, even accepts it as the norm.

Something magical happens once the women start making money. *The abuse stops.* The menfolk hold their wives in higher regard, and realize that it is to everyone's benefit if they stop abusing them. A simple intervention like improved marketing of their embroidery provides increased income and a whole web of social benefits.

Our project manager says, "We can't address the issue [of abuse] head-on, but we can offer economic opportunity and this has been enthusiastically embraced by these women. One of the chief social benefits of their financial success has been the greater respect they have gained from their families, husbands and communities.

"There is no preaching or sermonizing, no criticisms of their culture. We do nothing specifically directed at women's social empowerment. And yet it's happening. They are treated better by their families; they channel the funds back into the household through education, better nutrition and medicines. Their children – their daughters – are learning about a future that casts off the yoke of poverty and suppression."

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So there you have it – good development work reduces violence against women.

- Another program with a scope far beyond mere marketplace transactions is a youth-oriented project called Secure Futures in Afghanistan. It aims to bring advancement opportunities to teenagers who work as apprentices in informal construction workshops. It seeks to improve safety for young workers through dual-purpose loans for equipment upgrading, and to create a code of workplace safety conduct. The hope is to promote a culture of safety and financial health for apprentices who want to move on to start businesses of their own, thus helping them to see a future beyond the less-savoury options that too many people are choosing.

- I would like to tell you about the use of business skills to reduce malaria in Tanzania, to assist people with HIV/AIDS in Mozambique, to help small producers market their wares in Tajikistan and Nicaragua. But the sand is running to the bottom of the glass.

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In these and other programs I believe the businesspeople who compose the membership of MEDA and direct its activities as their proxy in a world of need have demonstrated a creative use of the resources at

their disposal. I believe they exemplify a kind of synergistic whole-life stewardship that recognizes an identity beyond money.

They are not content to simply sit in the church pew as second-class citizens who “pay, pray and obey.” Their hermeneutic of engagement calls them to work in the trenches, and to be God’s Junior Partners in the ongoing work of creation and redemption.

## Notes

<sup>1</sup> Milo Shantz died on January 6, 2009, at age 76.