

The Myth of the Anomalous Mennonite Entrepreneur:

A Review of Recent Books on Economics

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Calvin Redekop, Stephen C. Ainlay, and Robert Siemens, *Mennonite Entrepreneurs* (Baltimore: The Johns Hopkins University Press, 1995). 291 pages.

Calvin W. Redekop and Benjamin W. Redekop, eds., *Entrepreneurs in the Faith Community: Profiles of Mennonites in Business* (Scottsdale and Waterloo: Herald Press, 1996). 268 pages.

Calvin Redekop, Victor A. Krahn, and Samuel J. Steiner, eds., *Anabaptist/Mennonite Faith and Economics* (Lanham, Maryland: University Press of America Inc., 1994). 428 pages.

The field of Mennonite book publishing during the last decades has been dominated by cookbooks, family histories, denominational histories, and reflections on Mennonite/Anabaptist theology and history. Comparatively little has been written on Mennonite economic behaviour or on Anabaptist/Mennonite economic thought. It is somewhat surprising, therefore, that three books on Mennonite economic life and thought have been published in the last

few years. Calvin Redekop, retired professor of sociology at Conrad Grebel College in Waterloo, Ontario, is largely responsible for all three. Apparently Redekop has heeded the advice of Dylan Thomas and refuses to “go gently into that good night.”

The first two books listed above form a kind of unit; both deal with the phenomenon of Mennonite entrepreneurship and invite a joint review. What is so unique and important about Mennonite entrepreneurs that they should be given separate treatment in these first two volumes? The reasons are not difficult to find. Most economists recognize entrepreneurs as a special type of labour. A broad distinction is made between labour that takes relatively few risks and is content to work with resources provided by others, and labour that appears to thrive on risk and creates new products, new economic organizations and new methods of production. A large majority of human beings appear to fall into the first group. They are essentially “risk averters” who are satisfied when they are able to exchange their efforts and talents for steady pay and a relatively secure future. In contrast, a minority of any population—perhaps ten percent or less—seems to thrive on the risks that the business world offers. These are the entrepreneurs. They are generally restless individuals, not content with the routine and security of most nine-to-five jobs. They want to create something that was not there before. They are motivated by the intangible reward of being creative and by very tangible, above-average earnings. They are essentially gamblers, willing to endure failure as long as there is ultimately a chance to make a decent profit. Relatively few succeed, and even fewer do so spectacularly. They are important to an economy not because they may become wealthy and gain considerable prestige, but because in pursuit of their own goals they create jobs for others and enhance our standard of living.

The experience of different types of economies seems to indicate that economic growth depends crucially on the activities of entrepreneurs. The socialist economies of eastern Europe provided economic stability and a minimum standard of living for most of their citizens, but they failed to achieve growth rates which satisfied their citizens’ desires for a better standard of living. This failure may have been largely due to the curbs they placed on entrepreneurial initiatives. Profit was prohibited in order to limit individualistic business behaviour and to reduce income inequalities. Western market economies, on the other hand, have reaped the benefits of innovative entrepreneurial behaviour by permitting the aggressive pursuit of profit.

Mennonite Entrepreneurs argues that the existence of entrepreneurs in Mennonite communities is considered a mixed blessing. Such communities reflect the values of their surrounding cultures in giving broad approval to the role of entrepreneurs. At the same time, however, their religious traditions make them very uneasy about the individualistic, seemingly egotistical behaviour of entrepreneurs and the wealth that some of them accumulate.

The authors perceive modern North American Mennonite communities as suspended between “their idealized communalistic-utopian roots and the realities of living in the middle of North American culture.” (44) This state of uneasy suspension is somewhat shattered by Mennonite entrepreneurs who seem to accept North American economic values more whole-heartedly than other community members. This poses a serious threat to the community, as well as to entrepreneurs. Many feel alienated from their communities. Some leave; those that remain make what the authors consider an heroic accommodation.

On the one hand this study stresses that there is something inherently anomalous about entrepreneurial activity among Mennonites. Traditional Mennonite values emphasize simple living and community solidarity. Entrepreneurs pursue economic success in highly individualistic fashion. On the other hand, the ensuing conflicts are considered regrettable. While entrepreneurs compromise many community values, they simultaneously challenge those communities to be more open to the world, more innovative and less parochial than they would otherwise be.

Entrepreneurs in the Faith Community focuses on the lives of a dozen Mennonite entrepreneurs in Canada and the United States. The main assumptions of the first book are carried over into this study. The introduction observes, for example, that “the entrepreneurs presented here have faced more difficulties than members of most religious traditions.” The twelve entrepreneurs include both men and women, and a wide range of economic activity. The decision to identify such persons as Frieda Marie Kaufman, the founder of the Kansas deaconess movement, and Alta Schrock, an environmental visionary, as entrepreneurs, is laudable. In the future such generosity will hopefully be extended to farmers as well.

The biographies are written by different people and are, on the whole, refreshingly candid and interesting. They constitute a valuable contribution to our understanding of how entrepreneurs think, what contributes to their success, and how they deal personally with both success and failure. In his description of Bill Dyck, for example, an accountant-dentist-land developer in Fresno, who was personally well known to this reviewer, the writer, Ted Loewen, stresses quite appropriately a certain “mystery” surrounding the motivations and business practices of his intriguing subject. As in most of the entrepreneurs described in this volume, one discovers in such a character an incredible mix of audacity and humility, egotism and self-sacrifice, self-confidence bordering on arrogance and deep layers of insecurity.

One asks, however, whether the theory promoted in the first volume is correct. Has entrepreneurship emerged in Mennonite communities in defiance of the basic values of those communities? Are Mennonite entrepreneurs as a consequence generally misunderstood and even hated by their fellow believers? Do the authors apply appropriate yardsticks in assessing the adherence of Mennonite entrepreneurs to basic religious values? On all these counts these

studies leave much to be desired. The stories of the entrepreneurs contained in the second volume suggest almost uniformly that there was very little in their religious communities which inhibited their entrepreneurial drives. Indeed, there was much that encouraged such drives. A strong work ethic, combined with high standards of success, fostered instincts which served budding entrepreneurs well. The authors occasionally acknowledge the contribution of such community values to entrepreneurship, but most often they stress the inhibitory effects of such values.

The stories of individual entrepreneurs also show that most of them are readily accepted, even favoured, by their religious communities. Many are extremely active in their congregations and assume leadership positions. What is most poignantly clear is that business failure, not success, creates alienation between entrepreneurs and their communities. One of the saddest stories in the second volume relates to building contractor Kurt Janz in Calgary, who withdrew from an active role in his Mennonite congregation after a major business failure.

What is at stake here is a fundamental misreading of much of Mennonite history. There is virtually no evidence that the communal instincts of early Anabaptists have had any major impact on subsequent Mennonite communities. Most Anabaptists themselves turned their back on communal structures, thereby giving long-term sanction to private property and private economic initiatives. The enforcement of community property ownership by the Russian government led to structures of community control among Russian Mennonites which have been perpetuated among some of the immigrants to Canada and South America, but they were designed for purposes of control and not for a genuine sharing of economic activities. Under the umbrella of such controls the pursuit of individual wealth was generally more encouraged than inhibited.

The kinship and ethnic ties that developed in close-knit Mennonite communities led to the practice of considerable charity, symbolized in the concept of mutual aid. It also, unfortunately, fostered the myth that a more deep-seated community life, at odds with aggressive individual behaviour, was being fostered, a myth that these current studies reinforce. The myth says that Mennonite communities are deeply infused with communal values which, unfortunately, are compromised by more individualistic surrounding cultures. Some Mennonites are seduced by these cultures into entrepreneurial activity which puts them at serious odds with their communities. Mennonite history, on the contrary, and the stories of entrepreneurs contained in the second volume reviewed here, suggest that Mennonite communities are infused with values that promote both individual salvation and individual economic success. Entrepreneurship is sufficiently served by these values without having to be stimulated by alien, outside cultures. Some of the ethical teachings of these communities, compounded by the simple jealousies that close-knit communities promote, may occasionally produce a critical judgment on some forms of

entrepreneurial behaviour, but they place no serious inhibitions on entrepreneurship itself.

What is perhaps most disquieting about these studies is the yardstick of community commitment which is used to evaluate entrepreneurial behaviour. The community to which entrepreneurs adhere is understood exclusively as their local congregation. The question raised again and again is how, despite their unusually individualistic pursuits, do entrepreneurs relate to their congregations? It seems incredible to this reviewer that virtually nothing is said about the entrepreneurs' understanding of, and relationship to, the community which they help to bring into being when they create new business organizations. The modern business organization is a highly inter-dependent social organism in which the dreams and aspirations of hundreds and more persons are played out. This is the community in which most entrepreneurs spend by far the largest portion of their time. What does it mean to foster community values in such a setting? This question is not even asked in these studies. There are reports that individual entrepreneurs treat their workers quite generously, and frequently engage in acts of charity, but no attempt is made to examine how appropriate recognition is, or might be, given to the communal nature of the business organization. The development of Mennonite theology may be largely responsible for this. By focusing attention almost exclusively on the needs and practices of religious communities, the book has failed to examine the application of communal values in more broadly-based organizations.

The effect of such neglect emerges when Mennonite entrepreneurs are asked to whom they attribute their success. One third of the interviewees answering a survey conducted by Calvin Redekop and cited in *Mennonite Entrepreneurs* (77), indicate that they feel that close friends made the greatest contribution, while a smaller percentage credit parents, other relatives, and business partners. Only four percent mention their spouse. What is most suggestive, however, is that the contribution of employees is not even mentioned in the survey, and was apparently not raised as a significant factor by either the interviewer or the entrepreneurs.

The third volume under review, *Anabaptist/Mennonite Faith and Economics*, raises broader issues of faith and economics. It contains some of the papers given at a conference on "Anabaptist Faith and Economics: Breaking the Silence," held at Conrad Grebel College in Waterloo, Ontario, on May 24-29, 1990. A few papers not given at the conference have been added, while other papers, excellent in quality from this reviewer's perception, were omitted without satisfactory explanation.

In a brief introduction the well-known Catholic theologian, Gregory Baum, stresses economic justice as the prime goal of Christians in the economic sphere. Arnold Snyder provides a useful survey of Anabaptist economic values, observing their commitment to distributive justice but their silence on just structures within the work place. In her paper, Mary S. Sprunger corrects the all-too pervasive impression among North American Mennonite scholars

that Dutch Mennonites became extremely wealthy and that they lost their vision. Jacob Loewen describes economic conditions in the Russian Mennonite colonies. The picture of how workers and landless persons were treated is not pleasant. Jean Seguy, a French Mennonite scholar, examines the basis of identity in the small Mennonite community in France. T.D. Regehr provides an overview of Mennonite entrepreneurial activity in Canada in the 1940s and 50s. This material is partially carried over into his more recent Canadian Mennonite history, but loses something of its analytical strength in the transition. Walter Regehr's description of economic practices among Mennonites in Paraguay is very informative and an unblinkered analysis *par exemple*. John Peters provides an interesting description of Old Order Mennonite economics in Waterloo County; Leo Driedger does the same for Mennonite entrepreneurial activity in Winnipeg. Undoubtedly the most fascinating paper in the collection is Leland Harder's description of Henry J. Martens, a Kansas entrepreneur and con artist whose dreams always exceeded his grasp and ultimately the patience of those who invested in his schemes.

The interpretive articles in the last third of the book are, on the whole, less satisfactory, for the same mythology that pervades the first two volumes under review here is frequently present. Unfortunately a limited exposure to these papers was possible because pages 369-400 were missing in the reviewer's copy.

This last volume helps to break some of the silence that has surrounded economic issues in the Mennonite community. As indicated, a number of the papers provide extremely helpful information on a wide range of Mennonite thought and practice. However, until we examine our historical and theoretical myths more critically, and pay more attention to our responsibilities in organizations that transcend our religious communities, much of the work in this field will remain unduly suspect and parochial.