MEDA at 50
When Faith Got Down to Business
Let's look back together

By any normal business standards it would have been considered a foolish venture—a handful of North American businessmen handing over money without collateral, to a bunch of penniless but ambitious refugees in a faraway jungle of Paraguay. Even if the projects worked and the investments repaid, none of the gains would be pocketed, so the businessmen would, at the very best, break even. Hardly a strategy to appeal to a shrewd entrepreneur.

But these “foolish” businessmen had caught a vision for mutual aid rooted in the Christian gospel of servanthood and sharing...

I wrote those words 25 years ago, reviewing J. Winfield Fretz’s new book, The Meda Experiment, for what was then called the MIBA Newsletter. MEDA was half as old as it is today.

I was young to MEDA at the time. Although several family members had been involved, it wasn’t until I met Calvin Redekop in the mid-1970s (itself a gift of Providence) that I discovered for myself the vibrant world of MIBA and MEDA. Little did I know that within the decade I would be in MEDA’s employ.

The following pages deal with the highlights of MEDA’s past 50 years. Certain sub-themes run alongside the narrative like a symphonic current:

1. The founders of MEDA, and those folks from Mennonite Central Committee who invited them into existence, were carving out a new understanding of how to help the poor. The compassion industry then could not see much beyond “wealth redistribution” as the way to help the needy (that is, “hand over surplus to those who need it”). Perhaps without thinking too deeply about ideology, the MEDA founders were adding “wealth creation” to the mix (as in, “let us invest together and grow something new”). In time, their example would add heft to emerging concepts like sustainability, today a watchword of sound development.

2. Though the founders probably didn’t realize it, they also were jutting their chins to the wind with a new missions paradigm. Up to that point, Mennonites understood “mission” primarily as winning converts and starting new churches, with a little room set aside for relief work. The formation of MEDA was an early signal that “the rest of the church”—namely those who had not been called out to serve in traditional ministry roles—also had something to offer the “foreign field.”

3. Relatedly, MEDA, achieved much in bringing the Mennonite business community closer to the church. There was a time when a segment of businesspeople felt misunderstood and unappreciated by the church, many of whom then went elsewhere for nurture and fellowship (other denominations or secular service clubs). Some of that may persist, but there’s plenty of evidence that the work of MEDA has helped warm up the climate between the business and church communities. Surveys show that pastors, for instance, increasingly recognize the unique needs of the businesspeople in their midst, and often use MEDA resources to make their sermons more relevant to those who toil in the daily marketplace.

As you’ll see, MEDA’s history contains plenty of mistakes. People who work overseas soon see how much they have to learn. Missteps are inevitable as we find that the gifts we bring (faith, skills, money) carry cultural baggage. Someone has equipped that MEDA, being a quick study, took only a few decades to commit most of the mistakes that the colonial mission enterprise took 200 years to make.

But businessfolk know that the road to success is strewn with failure. One early MEDA leader told us that he had no regrets about the mistakes of the past, “Those mistakes laid the basis for greater understanding in the future,” he said. “The fact that MEDA corrected these problems in its approach and went on to build on them, has led to great success.”

This anniversary edition is four times our magazine’s usual size. Sadly, even that is not enough to tell the whole MEDA story. Those with long memories will doubtless find gaps and omissions in what is presented here. Their favorite anecdote may have been overlooked, or some “pillar” ignored. Please be assured—there’s more to come. A comprehensive MEDA history is being prepared, though we’re not yet certain in what form it will appear. Among its contents will be numerous unpublished features: an eyewitness account of the Paraguay story by the late Erie Sauder; a documented history of the MIBA-MEDA merger by Calvin Redekop; fuller versions of the abbreviated stories told here; a gallery of pivotal people; some juicy “inside” stories, and much more.

Most of the text here (a notable exception being pages 73-79) was written by the editor, with the help of numerous folk who dug deep into their memories. For the visual images we need to thank Lloyd Fisher, Frank Wiens, Milo Shantz, the family of Erie Sauder, Andy Hutchison, Howard Zehr, Paul Henry, Carl Hiebert and all others whose photographs we used in this anniversary edition.

—WX
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MEDA's first 25 years

A vision takes hold (1953-1978)

It was a novel approach — extend risk capital half a world away. For these eight pioneers, it was a way to share gifts they used Monday to Friday.

It must have been quite a sight. White-faced (maybe sunburned) Mennonite men riding on wagons or Jeeps, trudging through jungle wilderness, or sitting under a tree sipping mate with Paraguayans. Back home in California, Ohio and Ontario these same men were seldom seen in public without a suit and tie. They employed hundreds, maybe thousands, of people and did millions of dollars of business.

It was the early 1950s. Mennonite refugees from Russia and East Germany had been dislocated following the Second World War and ended up in Paraguay and Uruguay. Church organizations furnished basic necessities, but more was needed. The entrepreneurs among them required working capital to set up businesses. South American banks were loathe to lend money without collateral or credentials.

Mennonite Central Committee had done much, but extending capital was beyond its capacity. In 1952 and 1953 two groups of North American Mennonites flew to Paraguay at their own expense to study economic conditions. These “Flying Missions” planted the seed for further response.

Eight Mennonite businessmen subsequently gathered in the Atlantic Hotel in Chicago on December 10, 1953 to form a new organization that would provide capital funds...
to develop enterprises. The midwife was MCC. Its executive secretary, Orie O. Miller, himself a businessman, came up with the original formula for the new organization’s charter.

The founders, no strangers to risk, were ready to advance venture capital which they might lose. Here was a way to share the gifts they used from Monday to Friday.

The founders were the following (two were absent from the organizational meeting): C.A. DeFehr, Sylvanus Lugbill, Henry R. Martens, Ivan Miller, Orie O. Miller, E. J. Peters, Erie Sauder, Ceaphus Schrock, Edward G. Snyder and H.C. Yoder. Edward Peters was selected as chair (then called president), and Erie Sauder as secretary.

The organization was chartered in Ohio, home to several of the founders. The original plan was to issue 1,000 preferred shares at $100 and 250 common shares at $10 each. Members were expected to buy 10 preferred and five common shares, for a total of $1,050. The founders went well beyond that, pledging $5,000 each for an initial total outlay of $50,000.

New members were solicited as time went on, and stock was issued accordingly. New prospects had to be proposed and supported by two existing members, and then voted on by the entire group. This ensured motivation. MEDA was not for the faint of heart. Members were assigned projects, and were expected to visit the projects periodically to provide ongoing counsel.

**Sarona Dairy**

The first project stared them in the face as they took a look at the native Paraguayan cattle, bush cows that produced only a quart of milk a day.

The MEDA newcomers consulted with Robert Unruh who was head of the Chaco experimental station, a joint effort of MCC and three Mennonite colonies. Unruh, a pivotal player in the Paraguayan story, had introduced buffalo grass so that the grazing herds would have something to eat rather than the bitter grass that covered the landscape. In continued on page 7
"The shirtsleeve millionaire"

California potato king Edward Peters was MEDA's founding president

The September 3, 1951, issue of Life magazine ran an article entitled "Shirtsleeve Millionaires" that showcased newly-rich farmers of California's San Joaquin Valley. Among the 10 profiled was Edward J. Peters, who would soon thereafter become a founding member of MEDA and would serve as its president for the next 20 years.

Peters, a native of Saskatchewan, moved with his family to Kern County, California, in 1920, where he later started Maple Leaf Enterprises to wash and grade potatoes for other area farmers. The company grew into a large diversified agri-business firm of more than 3,000 acres and made him one of the "potato kings" of the country. Other aspects of the business included a petroleum bulk plant, a cotton gin, a grain elevator, farm equipment sales and a radio station.

His success with potatoes brought Peters national attention. In the early 1950s he was elected to successive terms as president of the National Potato Council and became a familiar figure in Washington, D.C. He received virtually every award that the local community and county could offer. Few in Kern County were as respected and as decorated as Peters.

His involvement with his own Mennonite Brethren Conference began in 1954 when he was elected chair of its new Board of Education. For the next 18 years he chaired the board in one of the most creative periods in Mennonite Brethren higher education in North America. During this time Tabor College achieved regional accreditation, the Mennonite Brethren Biblical Seminary was established and achieved accreditation and Pacific Bible Institute grew into a junior college and a senior college (now Fresno Pacific University).

As a member of the Kern County Mental Health Board he was instrumental in establishing Kernview, the Mennonite Mental Health Hospital in Bakersfield, Calif.

Peters remarked on more than one occasion that precisely as he gave his attention to the work of the church his businesses declined. While the irony was striking, it in no way diminished his commitment to the work of the church or conference. Life, he said, "is too sacred a gift to be spent on selfish pursuits."

Adapted with permission from For Everything a Season: Mennonite Brethren in North America, 1874-2002, Paul Toews and Kevin Enns-Kempel editors, Kindred Productions, 2002.
1954 MEDA formed a partnership with farmers in the Fernheim Colony and established the Sarona Dairy. The name, rife with hope, came from the biblical term “Sharon,” a fertile pasture celebrated in 1 Chronicles 27:29 and Isaiah 65:10.

MEDA imported a high-grade Holstein bull from a neighboring country to cross-breed with the local cattle. Milk production soon reached four or five gallons a day.

The bull that changed a country: The original Holstein imported to breed with local bush cattle.

From the start, MEDA’s intention was for partnerships to be temporary. As soon as an enterprise was on its feet, the MEDA principals were ready to move on. Sarona’s local partners purchased all remaining shares from MEDA in 1972. The dairy remained in business until 2000.

This first project was an enormous success that helped transform the local economy. Family farms were strengthened. Jobs were created.

Today, the Mennonite colonies dominate Paraguay’s dairy industry, furnishing 84 percent of the country’s entire supply of dairy products. The clover-shaped logo of the Trebol dairy (located in Loma Plata, the capital of Menno Colony) can be seen all over the country.

Sinfin Tannery

The second MEDA enterprise was a tannery to process leather. The small tannery already existed, but lacked capital. In 1954 MEDA invested in a building and better equipment. The tannery, called Sinfin, provided a useful service, converting hides from local cattle into leather for harnesses and other goods. The quality of its production, however, never reached the level needed to become significant for manufacturing.

Fortuna Shoe Factory

A cattle operation and a tannery led quite logically to MEDA’s third project, the Fortuna Shoe Factory, in 1956. Here was a project close to the heart of Orie Miller, himself a shoe manufacturer. MEDA’s partner here was John Dyck, who had been connected with the tannery. MEDA provided the capital for a building and equipment. Using leather from the tannery, the factory started off making men’s work shoes, then branched into dress shoes and shoes for women and children. By the late 1970s Fortuna was producing more than 600 pairs of shoes a month, employing four to six workers. Other products were added, like cowboy chaps and motorcycle seats.

The factory became an important source of goods for colonists, ranchers and Indians. It remains in business today. Says one longtime resident, “When we were growing up the only shoes we could afford were from Fortuna.”

In 1972 Dyck bought out the North American MEDA partners on credit and operated the factory on his own.

MEDA’s second project was the Sinfin Tannery, which converted cattle hides into leather.
The final installment was paid off in 1986.

Fundicion Foundry

The fourth MEDA project (also in 1956) was the Fundicion Foundry. The man behind it was Jacob Loewen, an inventive, self-taught farmer who erected a crude foundry in a village in Fernheim Colony. It wasn't easy to find raw materials for his homemade furnace so he scrounged wherever he could, including gathering shell casings left in the countryside from the Bolivia-Paraguay war of the mid-1930s. When he could find enough metal to melt down he fashioned mechanical parts for the implements and machines needed by colony farmers and industries.

MEDA forged a partnership with this resourceful local leader, providing him with an opportunity to acquire new machinery and travel to Canada and Germany to hone his engineering expertise. This boost enabled Loewen to expand his service to the region. The foundry had a significant economic impact, providing parts for other local industries, as well as producing horse-drawn cultivators and planters.

Casuarina Cattle Ranch

Not every MEDA project was successful. One learning experience was the Casuarina Cattle Ranch, an enormous project of 30,000 acres that operated in Paraguay from 1961 to 1968. With fencing, wells, water holes, breeding area and improved pasture grass, it aimed to model modern techniques.

MEDA formed a partnership with 14 individuals and brought in a ranch manager from Oklahoma. Unfortunately, a series of personal misfortunes combined with poor management and a lack of communication produced MEDA's first visible failure. The venture was shut down in 1968. The cattle and machinery were sold to repay the Paraguayan partners, and the MEDA partners agreed to contribute the land to the Indian Settlement Board for use by indigenous farmers.

The project, wrote Winfield Fretz in The Meda Experiment, was "not a colossal financial disaster" but it was "extremely embarrassing." What it lacked — something which seasoned businessmen prided themselves for being able to offer — was deft management.

Mbopicua Rice Plantation

In the late 1950s MEDA tried to respond to persistent cries for help in the Volendam Colony. Earlier, a group of farmers had tried to grow rice on the colony's lowlands. While the project looked good on paper, it had been undercapitalized. MEDA was asked to help rescue the failed effort.

Some MEDA members preferred starting with a...

John Dyck, MEDA's partner in the Fortuna Shoe Factory, maker of footwear, cowboy chaps and motorcycle seats.
Although our stated purpose is to help people help themselves by forming partnerships with competent individuals on the level they understand and are able to manage, we yielded to the temptation of investing in projects such as the rice farm in Volendam and the cattle ranch in the Chaco. Both of these were in trouble when we took them on because they were too large for local people to understand and we were unable to manage them on North American standards without their help.

MEDA finally sold its share of the rice farm assets to two of the more interested members who formed a partnership with two other men and tried to make it work. The death of one of the partners dealt a final blow to the project, and it was liquidated in 1971.

According to then-board member Henry Pankratz, the rice project “nearly did MEDA in.” Added Lyle Yost, another long-time board member, “We lost our shirt on that one.”

Winfield Fretz wrote: “Probably the one significant value of this undertaking was the sobering lesson it taught...”
MEDA members as to their limitations as a rescue organization for large business enterprises in financial difficulties."

Some remnants of the rice project can still be seen in Paraguay. The original pump house still stands, and some locals still chuckle about it.

**Beginning of credit**

Another Volendam project in 1961 brought more satisfactory results, and, though no one knew it then, pointed to an area that would bring MEDA some of its greatest success — the extension of credit.

The person who spearheaded MEDA's new foray into production credits was Lloyd Fisher, who would later serve as the organization's first full-time staff member (1969-1981). Fisher, an MCC volunteer seconded to MEDA in Paraguay, hailed from Oregon where he had worked for the Production Credit Association, a farmer cooperative. He devised a system of short-term farm credits for Volendam farmers, something unheard of in Paraguay where existing lenders charged high rates of interest. The new program, called Finor, carefully selected its borrowers and then supervised the use of the loans to enhance repayment.

The loans supported basic agricultural improvements — clearing bush, building fences, digging wells, buying implements.

"The smallest loan we ever made was for $5, which when translated into local currency meant something," said Fisher. "This loan was for building a fence. Not exactly developmental, but fences were important for keeping..."
animals out of gardens, or for keeping livestock in.

The program was instantly popular, processing 174 loans within the first year. During the 12 years of its operation, all but three loans were repaid.

Paraguay Indians

Another constituency was waiting for MEDA's attention in Paraguay. Surrounding the Mennonite settlers were indigenous tribes of Indians, and it didn’t take long for the Mennonites to begin reaching out to them.

Erie Sauder, the woodwork entrepreneur from Ohio, felt a particular burden. “He had a yearning to help the more gifted Indians to establish small businesses such as wood working and repair shops,” wrote Fretz. Ed Peters would later say that Sauder's work with the Indians was “most inspiring because these are people who came out of the bush just a few years ago, naked and wild.”

### MEDA and the church

From the start, MEDA defined itself clearly as a Christian organization whose purpose was to help build the church. Over time, this self-definition would become somewhat elastic, even trend-setting. The economic dimension was not then widely understood as part of “missions.” That would change.

Spiritual moorings were important for the first MEDA members. Board meetings were opened with prayer in the morning and recessed with prayer before lunch. Afternoon meetings were again opened with prayer as well as closed with prayer upon adjournment.

For many years the various Mennonite mission enterprises saw MEDA as their helper.

In 1963 Paul Kraybill, representing Eastern Mennonite Board of Missions, said they were ready to encourage people in the area to join MEDA, especially those with interest in Africa and British Honduras.

In 1968 Mennonite Central Committee executive secretary William Snyder urged MEDA to “move strongly” into Asia (Indonesia, Vietnam and India) “where we have churches.” He also suggested MEDA projects in U.S. inner cities that would be tied in with local mission boards and church leaders.

In 1969 Vernon Wiebe, general secretary of Mennonite Brethren Missions and Services, made a case for closer ties with MEDA. “There is a growing cooperation between MEDA and missions,” he wrote to his board. “Most MEDA projects are now projects directed toward helping national Christians...MEDA help has shifted from large projects designed to help ethnic Mennonites to small projects designed to help national Mennonite Christians.”

As the perils of working closely with national churches became evident, MEDA’s link with conventional missions was debated. The minutes of the executive meeting of August 13, 1969 contain a discussion apparently prompted by William Snyder’s desire for MEDA to become more “mission oriented.” In response, MEDA member Frank Ulrich “emphasized the business orientation of MEDA and questioned whether the problem of mission image would not affect business decisions on the termination of a non-viable project. William did not consider this a problem. Good business ethics and viability should not affect mission adversely.

Lyle Yost expressed concern about getting too closely allied with mission boards, preferring the direct Christian businessman to business relationship.”

By July 6, 1970, MEDA was working closely with the Home Ministries Council, Council of Mission Board Secretaries (COMBS), MCC, Joint Venture Services, and the Development Consortium.

One of MEDA’s most specific involvements with traditional missions took place in Colombia. P.A. Enns and Henry Brandt, Mennonite Brethren from California, sought to develop connections between MEDA and MB missions. In 1973 they set up a program to create a credit cooperative in Colombia to give small loans to entrepreneurs within the MB church. (That story is told elsewhere.) Relatedly, the director of the Colombia program also set up an agricultural program in Panama, another MB missions stronghold. Both were very specifically Mennonite Brethren projects.

As MEDA entered its second half century it was poised to explore new ways to serve the larger church through the faith/business/development connection.
In the late 1960s Sauder and others gave the Indians their first introduction to the strange world of credit and commerce. MEDA officials, sometimes having to work through several languages and dialects, patiently explained the difference between a gift and loan, and the meaning of "down payment" and "guarantee."

Milo Shantz remembers a meeting in 1968 between MEDA folk and Chulupí and Lengua representatives in a Philadelphia church to set up a credit program. "The meeting began at eight in the morning and went to four in the afternoon. We had a series of translators — from English to German to Spanish to Chulupí and Lengua and back again! It was an exhausting day but very fruitful and satisfying.

"We were trying to make the point that they would have to pay their money back if they borrowed money to buy a horse. The Indians were very clever. 'What if my horse died?' they asked. We explained that they'd still have to pay it back. 'But what if I died?' someone asked.

"Then we tried to explain the concept of interest. We reminded them that a pig has piglets, and likewise we would want a return.

"We had many fears about their ability to understand the credit concept and their willingness to repay loans with interest. But they understood much better than we..."
had dreamed and many were helped.
That grew into the first Indian credit program in Paraguay. It was a modest start, with three Indian colonies getting $3,000 each.

**Uruguay creamery**
In 1961 MEDA got involved with a local group to establish a creamery in Uruguay.

"Orie Miller twisted our arms to get this project moving," recalls Lyle Yost, who served on MEDA's board from 1954 to 1985 and headed the Uruguay committee. The sum needed was $100,000. Yost and a colleague agreed to raise this amount by selling $1,000 debenture loans. "We sold a hundred of them," he says.

About this time there was dairy upheaval in Kansas, as several small creameries either closed or merged with larger entities. Good equipment became available at bargain prices, and some was purchased for Uruguay.

Yost was invited to cut the ribbon for the new facility. Afterward, "I walked over to the strainer; they were making cheese. I wasn't sure I would want to eat that cheese. There were flies everywhere."

The farmers were quick learners. By Yost's third trip, "they wouldn't let me in the way I was dressed. I had to put on a white coat, pants, a cap and boots. There wasn't a fly in sight. It was clean. It was 180 degrees from what I had seen earlier."

By 1977 the Farmers' Cooperative Creamery counted 62 Mennonite farmers in its ownership structure, and another 150 farmers as suppliers. Foremost in its success was Yost's tireless leadership. Fretz credits his "patience, business experience...and timely insight into the financial tangles of both country and project" as key to making the creamery "the economic lifeblood" of the Mennonite colonies in Uruguay.

Yost looks back and says, "Those were great years of my life."

**Africa**
The need for MEDA's type of assistance was immense, and invitations came from all over the globe. There was strong encouragement for MEDA to work alongside Mennonite mission efforts. As early as 1959 Orie Miller urged that "MEDA could be of real service in the Belgian Congo in helping the Christians there to become better established in a material way." MEDA soon found itself cooperatively by several farmers. Other loans were for hammermills, oxen, plows and fishing boats.

Working through several languages and dialects, the northerners patiently explained the difference between a gift and a loan, and the meaning of "down payment" and "guarantee."

**Tanzania**
Tanzania was not exactly ripe for a business-oriented model when MEDA went there in 1965. The country's economy was rooted in Ujamaa, a traditional form of agricultural socialism. Moreover, Tanzanian Christians were suspicious of the business model, thinking it inevitably led to worldliness.

Nonetheless, MEDA started 26 projects between 1965 and 1969. By 1977 the number of projects reached 55. The largest was the purchase of a tractor, to be used cooperatively. Sometimes loans were made on the basis of family connections rather than sound principles. Nor did Tanzanians understand the North American loan mentality. They tended to think that western money did not have to be repaid. Resentment grew as MEDA had increasing difficulty collecting its loans.

Another problem was the premature introduction of technology, a hazard MEDA would repress years later with its Mbeya Oxenization Project. Tanzania was a hoe culture. Neither the people nor the industrial infrastructure were ready for sophisticated technology (not to mention spare parts and repair capability).

"The mistake we made was jumping from the hoe to the tractor," says Lloyd Fisher, MEDA's first executive secretary. "We skipped the oxen."

**Congo**
In 1970, Ernie Dyck, who was working in Congo as a financial manager for the Mennonite Brethren mission and...
the local MB church, was asked by Orie Miller and Lloyd Fisher to represent MEDA’s programs as a sideline to his regular mission work. He would later be seconded 90 percent to MEDA by the MB mission board.

MEDA started making development loans, $50 to $3,000, for business enterprises ranging from little street-side restaurants to a city gas station. Dyck established loan committees, each comprising five church members, who received and processed the loan applications.

The first major loan was for a sawmill requested by a church-related cooperative in Kafumba. A mobile mill, able to cut logs six feet thick, was brought in from Oregon and was an immediate success.

Dyck went on to organize other cooperatives to help producers market their crops jointly and obtain vehicles for transport. Five such cooperatives were established.

MEDA and MCC

In a sense, MEDA was conceived by Mennonite Central Committee, and the two organizations seemed joined at the hip for decades.

In Paraguay, MCC staff opened many avenues for MEDA work. Paraguay MCC director Frank Wiens was so heavily involved in MEDA’s work it was sometimes unclear which agency employed him.

MEDA was able to carry out functions that MCC couldn’t. After a visit to South America in 1963, MCC executive secretary William Snyder reported: “It is clear to me that MEDA is filling a need that MCC could not fill. MCC can only give charity, aid and relief.”

MCC officials were often involved in MEDA’s planning. In the early years MEDA’s annual meeting was held in conjunction with MCC’s annual meeting. In 1968 Snyder spoke to the MEDA annual meeting on “MEDA Strategy for the Next Decade.” The tone and liberal use of “we” language shows that the distance between MEDA and MCC was not great.

Lloyd Fisher, MEDA’s first executive director, worked out of the MCC office in Akron.

In 1981, at the meeting celebrating the merger of MEDA and MIBA, MCC associate secretary Edgar Stoesz was given prominent space on the program to speak on “The relationship of MEDA and MCC.”

MCC and MEDA gradually grew more distant, though they still cooperate in a number of areas. MEDA’s business image and relative comfort with the role of profit has not always sat well with MCCers.

MEDA, on the other hand, has sometimes wished for MCC to have a greater results orientation and reliance on strategic planning.

By tradition, a senior MCC official (currently executive director Ron Mathies) is a member of the MEDA board. Numerous senior MEDA staff have come from the ranks of MCC. In recent years MEDA staff have conducted a variety of consultancies for MCC.
Numbering 20 to 40 farmers each, they grew peanuts, caterpillars, maize and coffee.

By the time Dyck left in 1980, MEDA's investment totaled some $200,000 U.S. With the help of three university trained Congolese staffers, hundreds of loans had been given out.

He recalls that the repayment rate generally was very good "as long as we were there." Others who followed him had little success. "Some of the toughest loans to collect were from pastors, because they did not make a distinction between the church and MEDA," he recalls.

Dyck spent a decade working with MEDA in Congo, first as a representative alongside his other mission work with the MB conference, then six years in a 90 percent secondment to MEDA.

Meanwhile, changes were taking place back in North America. MEDA had hired Paul Derstine, Neil Janzen, Henry Fast and Ken Graber, all who had extensive development experience and had learned to place a high priority on what today is called institutional capacity development. They were concerned with sustainability, and the African program seemed to show little sign of this.

MEDA closed the program in mid-1983. Records show that only 46 percent of MEDA's loans in Congo had been repaid.

**Ethiopia**

Besides the larger efforts in Tanzania and Congo, MEDA extended its reach to Somalia, Ethiopia, Ghana, Kenya.
and Nigeria. At one point, Ethiopia seemed to hold great promise. MEDA had entered Ethiopia in 1965, its work handled by Mennonite missionaries there. When the missionaries departed in 1970, Asrat Gebre took over on a voluntary basis while working as personnel director for the Commercial Bank of Ethiopia. In 1976 MEDA hired Gebre to become full-time MEDA director in Ethiopia. By 1980 MEDA had 96 projects worth $84,854, but many of the projects were ad hoc, with little apparent unified purpose. Moreover, the program suffered when political repression forced the church underground. Many Mennonite church leaders were jailed. MEDA Ethiopia was closed in mid-1983 when MEDA decided to withdraw from Africa.

MEDA had learned more valuable lessons in Africa. One painful discovery was the downside of working through the church. Loans were often made by local committees on the basis of family ties, or friendship, or even to augment authority. MEDA learned that giving a village pastor the authority to lend money combined spiritual power with economic power, a very potent brew when abused. MEDA learned to practice sound lending based on business criteria.

Asia

MEDA’s reach had continued to grow in the 60s and 70s, seemingly without much thought for long-term management. MEDA members wanted to be helpful servants of the church, and thus found many opportunities to share their
business expertise. MEDA would find itself in regions as disparate as Sicily, Vietnam, India, Indonesia and Philippines. Its projects ranged from making salt bricks to cassava mills to financing church-owned transport buses.

**MEDA’s reach**
**kept growing:**
**Colombia, Panama, Belize, Costa Rica and Honduras.**

Members from California who wanted to test new ways to shore up traditional mission efforts. In 1973 Roger and Marsha Friesen were assigned to work with MEDA in Cali. Roger, a “missionary kid” fluent in Spanish, had just graduated from college when P.A. Enns of Dinuba, Calif., and Henry Brandt of Bakersfield, Calif., introduced him to MEDA. Enns and Brandt put up the capital and seed money to start the Colombia programs, and provided all the support for the Friesens. “I organized a group to administer loans, set up a

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**Going non-profit**

MEDA started out as a profit organization, though no one ever made a nickel from it, or expected to.

Initial investors bought actual stock in the organization. New stock was issued when needed. Members didn’t receive tax receipts for their MEDA-related outlays.

Henry Pankratz was president when the shift was made to a non-profit organization. As he recalled in an interview, some wanted MEDA to be a profit organization in order to “teach American capitalism to the Paraguayans.” Others found it a convenient way to lessen the impact of the high cost of being a MEDA member. Members covered their own travel costs, and some wrote them off as a business expense.

There were strong views on both sides, recalls Lyle Yost, board member from 1954 into the 1980s. “We debated the issue quite a bit.”

When Pankratz became president following the death of Edward Peters, “I insisted we change to a non-profit organization.” For one thing, no one was making any money anyway; for another, “we couldn’t get members at $4,000 each” (which was the membership fee in the early 1970s).

Non-profit status was granted on Nov. 29, 1973. The large membership fee was dropped, and membership immediately began to climb.

Not everyone agreed with the decision. Some left MEDA as a result. One who did so felt the switch would mean the loss of MEDA’s traditional hands-on approach. The change, he said, would mean “I lose contact with what’s going on.”

Moreover, he added, there were many church-related agencies that wanted his donation dollars. “I have only so many donation dollars to give,” he said. “But capital, to do business? I’ve got lots of capital. I’d rather invest, even if I lose it all.”

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**Roger and Marsha Friesen in Colombia (1973-75). Friesen developed MEDA’s first program to make small business loans to entrepreneurs.**
process for making the loans, so we had a cooperative, and created a legal organization called MENCOLDES,” recalls Friesen. “That first year we set up the Cali chapter (Mennonite Brethren) and the second year we set up the Bogota Chapter with the General Conference. (The Bogota chapter was both GC and MB). Both chapters were under MENCOLDES. Our plan was to get the concept started and have it run by local leadership. Luis Correa became the executive director.

“It was probably the first program MEDA did that explored the idea of small loans to entrepreneurs who were not able to have access to commercial financing for their businesses or for business opportunity.”

Friesen recalls that loans, averaging $500 to $1,000, went to seamstresses, convenience stores, lumberyards, a cobbler, an automotive gasket manufacturer, and a small gold mine.

MENCOLDES went on to undertake a wide range of development projects, from agronomy and business to health and education.

During the 1970s MEDA continued to be active throughout Latin America, finding numerous ways to partner with existing mission boards. The MEDA reach extended to Panama, Belize, Costa Rica, Guatemala, Honduras and Mexico.

It also began to pay more attention to Bolivia. MCC’s program there was growing substantially in response to the needs, and MEDA decided this was a logical addition to its existing work elsewhere in South America. MEDA began slowly in 1972, with additional projects coming on stream in the next few years. By 1976 it had $40,000 invested in Bolivia.

Requests from home

“Why don’t you do at home what you do overseas?”

As early as 1964 there were requests for help in North America, especially in Mississippi and the Appalachian region. Many of these requests seemed to be for “relief.”

How MEDA grew

Few people put a greater imprint on the Mennonite church in the 20th century than Orie Miller.

Miller was one of the founders of MEDA. Besides being a businessman (he was co-owner of a shoe factory in Akron, Pa.) he was a church leader who wore countless “caps” as he travelled the world as a roving Mennonite ambassador.

His personal generosity and love for the church had much to do with MEDA’s growth (albeit random) in the early years.

“You want to know how we got into so many countries?” says one early MEDA leader. “Orie would travel the world wearing one Mennonite hat or another, and he’d carry a big wad of bills. He had a big heart, and if he saw a tailor struggling with a decrepit sewing machine, he’d peel off a few hundreds and give it to the guy to buy a new sewing machine. Then he’d drop by the MEDA office when he returned and say, ‘By the way, I loaned some money to so-and-so. I don’t have time to collect it, so let’s write it up as a MEDA loan.’

“That’s how some projects started. We spread all over the place. Orie Miller did all this. Of course, his business was the church.”
and MEDA's directors were wary of "falling into a relief role." Moreover, needs were so much greater overseas, and both Canada and the United States had some form of "safety net" for its poor.

Nonetheless, sporadic efforts were made to adapt MEDA's philosophy of business-oriented assistance to needs closer to home. (The largest effort, MEDA's popular ASSETS model, would come much later.)

For a number of years in the late 60s there were attempts to start work at Red Lake, Ontario, near where a Mennonite-related mission operated. Several Mennonites from Pennsylvania and Maryland purchased a student boarding house for Indian young people. Other projects included purchase of a snowmobile to haul firewood, and a store.

In the U.S. there was a woodworking project and a greenhouse in Appalachia, a native crafts project in Oklahoma, and modest financial assistance to urban efforts such as a laundromat, grocery store and photography shop.

The MEDA vision caught on elsewhere. In the 1970s Mennonite businessmen in the Regensburg area of West Germany formed MEDA Germany and began contributing money to special projects in Central and South America. Between 1976-80 five substantial contributions were made, totaling more than $30,000, to finance a grain drying facility and a tractor for Belize, a bulldozer for Bolivia and a machine shop in Paraguay.

During the 1970s, as new leadership came on, MEDA took time to assess its place in the

Some asked, "Why don't you do at home what you do overseas?"
This led to smaller projects from Ontario to Appalachia.
world. What had begun as a few men pitching in to help fellow Mennonites get a foothold in Paraguay, had blossomed into a full-blown entity. In 1969 MEDA leaders had taken the step of hiring Lloyd Fisher as executive director. He had farmed in Oregon and worked for a farmers loan organization, had missions experience, had spent two years with MCC in Paraguay, seconded to MEDA, and most recently had spent two years in Ghana with Church World Service.

"At that time the MEDA officers were doing everything," Fisher recalls. "Ernie Sauder was looking after Paraguay, Lyle Yost Uruguay, Levi Weber was doing Africa, and One Miller was doing everything. They needed somebody to pull things together."

But coordination, no matter how efficient, would not by itself be enough for the organization to effectively move forward in the ever-increasing complexity of global change.

Ofﬁcials began to question links with missions.

While MEDA had grown vigorously, and was now involved in 25 countries, ofﬁcials took a close look at loan failures in Africa and Asia, and reviewed its practice of working through local missions personnel. These people, though often well-intentioned, had their own agendas, and MEDA duties were an add-on to their regular assignments. Some projects suffered for inattention. With little direct control

Ernie Dyck (left), who worked for MEDA in Congo during the 1970s, set up a loan program and organized cooperatives to help producers market and transport their crops.
Not all in MEDA agreed on the role of government money. Some were skeptical of involvement with “Cæsar.” Others, however, heard government funders saying, “We can’t be everywhere. You folks are doing good work at the village level. Why not do it with our money?” MEDA decided it could play a role to help strengthen local indigenous organizations by capturing public resources and employing them in meaningful ways. Fleshing out that vision would be an important part of MEDA’s second quarter century.

**Expansion in Bolivia**

In 1976 MEDA made a pivotal decision to hire its first full-time overseas staff.

That person was Ken Graber, who had been working for the Methodists. (Also hired the same year was Asrat Gebre in Ethiopia, referred to earlier.) MEDA officials recognized the importance credit would play in a business-oriented development program. From their own businesses they understood that credit was like grease to make wheels turn smoothly, or like a lever to amplify impact.

They sent Graber on an individualized orientation program to learn as much as he could about agricultural credit and rural development. He then moved back to Bolivia in January 1977 to begin work with MEDA. He would become the key to an important broadening of personnel, there was considerable discontinuity. If staff who had been seconded to MEDA from other agencies came home on furlough, or moved on, those who took their place didn’t always follow through. MEDA desired more hands-on accountability.

It was also a time when a lot more money was becoming available for development through government sources.

**Women in MEDA**

For many years MEDA was primarily a men’s organization, though women were not prevented from joining.

Henry Pankratz, MEDA’s second president, recalls that the first female member was Martha Unruh of Bella Vista, Ark., who joined with her husband Earl. She was a sister to Pankratz’s wife, Elsie, who became MEDA’s second female member.

Some of MEDA’s menfolk were not eager to admit women, Pankratz remembers. In those days MEDA members were directly involved in projects, and it was felt that women would complicate travel logistics.

In the early 1970s there was an entity called “MEDA Wives.” These were wives of board members (still all male) who sometimes had programs of their own while their husbands deliberated. On March 29, 1972, the theme of the MEDA Wives meeting was “The Liberation of Women.” The report of the meeting says the moderator “reminded us that as liberated Christian women we have much to be grateful for. We are recognized by our husbands and can exercise the right to be associated with them in many interesting and important activities.”

In 1981 Ellen Hartman of Harrisonburg, Va., became the first woman to serve on the MEDA board.

The first woman to chair the MEDA board was restaurateur Sue Miller, Middlebury, Ind. (1995-97). Currently there are four women on the MEDA board.
MEDA's development mandate to add counseling services, education and management support to its existing credit program.

"The assumption was that there was money out there but it wasn't getting to the people who needed it," Graber recalls. His hiring enabled MEDA to leverage funds that were already available, a concept that became one of MEDA's greatest strengths.

Graber's focus was to work with up to 15 different institutions to facilitate economic development in the rural areas of Bolivia. One of these was the La Merced credit union in Santa Cruz, a strictly urban organization. He helped it expand its line of credit and extend financial services to rural areas. He became like a counselor to coop leaders, and helped them leverage more money for small production loans to farmers.

Graber also worked with the El Progreso cooperative, which still functions today. He helped train their board, and put on workshops for staff. The loan program expanded substantially, as small farmers, who often lacked collateral and clear title to their land, had difficulty obtaining affordable credit.

Some were skeptical of public funding. Others heard the government saying, "You're doing good work at the village level. Why not do it with our money."

A year after Graber began work for MEDA in Bolivia he was asked to extend his responsibilities to include Paraguay and Uruguay. At the end of 1977 he made the first of what became more than two dozen trips to Paraguay's Chaco, some of them involving training for two to three weeks at a time.

Around this time the Paraguayan Mennonites had formed ASCIM which served basically as the MCC of the Colony Mennonites. It provided education, health, agricultural and cooperative services for indigenous people. MEDA's contribution was to design the economic and business model for the emerging structure and to support the coop development component of that work, which was providing a fair amount of credit to the indigenous communities for agricultural mechanization.

MEDA worked closely with ASCIM's local staff, including rural sociologist Wilmer Stahl and Werner Janz, who was in charge of the coop aspect.

It gradually became clear that MEDA needed to revise its practice of working directly on-field. Instead of hands-on supervision by North American MEDA members, the local leaders would be the supervisors and MEDA would serve in a facilitating role.

This shift, though fully supported by the staff of MEDA and ASCIM, was difficult for some of the veteran board members to accept. Some had spent years working directly with the MEDA program, and weren't anxious to step back and turn the reins over to local staff. ASCIM, meanwhile, was sensitive to cultural differences. It saw the need for a different approach in credit. One could not just give loans directly and expect it to work as it had in the old days when the recipients of MEDA's help had shared...
later became the Indigenous Foundation for Agricultural Development (FIDA). FIDA still exists, managing loans in the millions of dollars with excellent repayment. In 2002 it was honored by the Inter-American Development Bank (IDB) as Microenterprise Business Development Services Institution of the Year for all of the Americas.

By the time its first quarter century drew to a close, MEDA had undertaken 422 projects globally, of which 87 percent were considered successful. Some 300 to 400 families had been helped directly, with spin-off benefits going to two or three times that number.

Other organizations were catching MEDA's vision, enabling MEDA to leverage additional funds. Under Lyle Yost's leadership, the Hesston Foundation made a commitment to furnish $60,000 annually for five years to support on-field work in Bolivia, thus providing a solid financial base for new MEDA initiatives.

MEDA was by now well accepted in the Mennonite world. Its slowly growing membership were confident they had found the right vehicle to connect two vital parts of their lives — the church and their work.

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**Healing a fractured world**

For many years MEDA used a globe-shaped symbol which the corporate statement described as follows: "Many persons in the world community are suffering because of spiritual, social and economic needs. Hope and new life for a broken world is symbolized by a growing leaf. By showing concern and sharing, the void is filled and wholeness is restored."

The symbol was initiated by Milo Shantz and designed by Glenn Fretz in 1974.

Previously MEDA had used a symbol of a handshake to represent "brotherhood economics."

In 1974 a new charter was acquired for MEDA Canada, and the original MEDA charter in the U.S. was changed from profit to nonprofit status. The timing was right for a new symbol. "We wanted something fresh," Shantz recalled later.

The symbol was revised in 1996. The new visual identity built on the old by utilizing a contemporary typeface along with a stylized "D" that retained the globe and leaf motif. It, too, was designed by Glenn Fretz.
Strategic growth pushed out the edges of a business-based response to poverty

(The following overview depicts some but not all of MEDA's activity in its second 25 years. A more detailed and comprehensive treatment will be available in a MEDA history, currently in process.)

MEDA was poised for a new surge as its first quarter-century drew to a close. It had achieved significant growth into more than two dozen countries, learning some valuable developmental lessons along the way. It had switched from profit to non-profit status. It had recruited Milo Shantz, a dynamic young businessman, to serve as its chair once again after an earlier stint. Thanks to the Hesston Foundation in Kansas (which had pledged $300,000 over five years) a firm financial base had been laid to hire experienced development practitioners. This process had already begun in 1976 with the hiring of Ken Graber in Bolivia.
MEDA would pay great attention to fine-tuning a “business response to poverty.” In the 1980s, especially, there would be increasing attention to focus, scale, methodology and impact. MEDA would become adept at defining “products” such as micro-enterprise assistance, agricultural production and marketing, and consulting. Individual projects would be seen as “research and development” efforts, leading to programs that would eventually result in sustainable businesses.

Shantz, then the “young blood” of MEDA, had been recruited by Ontario potato mogul Ed Snyder, one of MEDA’s founders, and mentored by none other than Orie Miller. Shantz accompanied Miller on two South America trips.

“I carried Orie’s bags, and got a complete orientation to Mennonite developments in Paraguay,” Shantz recalls. The trips exposed Shantz to both the desperate need in Low Income Countries and to the visible benefits of well-placed economic intervention.

When he became chair of the MEDA board, Shantz set to the task of applying his personal dynamism and
A new era unfolds

As chair of the board, Milo Shantz, shown here among cocoa and banana trees in Haiti, led MEDA in new directions.

entrepreneurial vision to the MEDA mission. He attracted and hired other entrepreneurial young men with development experience, such as Paul Derstine and Neil Janzen, who would function for a time as co-leaders of MEDA. Derstine would then be appointed president, charged with raising funds, looking after domestic issues, and carrying some international agenda. Janzen, as vice-president, would carry primary responsibility for international matters.

This lasted for about a year, at which time Derstine decided he preferred the international side. One day he told Janzen, “Neil, I’d like to trade jobs with you.” The board gave its consent, and Janzen and Derstine swapped jobs.

“We kept looking after the small projects, kept looking at new kinds of activities, but we still had a loan portfolio (which we inherited) that we were managing,” recalls Derstine. “It wasn’t a bad portfolio but we soon found out that in places like Bolivia inflation was just eating that portfolio up. I don’t know when the actual conversion came but it was in the early 80s when we decided to no longer keep those paper loans as assets on the MEDA books but kind of as an investment overseas. That was a major change for us.”

Henry Fast, who had Mennonite Central Committee experience in Greece and India, was brought on to look after MEDA’s grassroots assessment. Ken Graber had been hired earlier. “So we had four former MCC guys, all with a lot of overseas experience,” recalls Derstine.

It was a time of great ferment for MEDA. New staff was on board, government funding was...
being considered, and previous MEDA work was being scrutinized with new sets of eyes.

About this time (1979) MEDA was also holding intense discussions with another business organization, Mennonite Industry and Business Associates (MIBA). MIBA was an energetic organization, led by its chair, Ralph Hernley, and its new executive director, Len Geiser. The two organizations kept bumping into each other, and conversations started to take place about putting the two together. (That story is dealt with separately.)

Neil Janzen recalls that some of MEDA's international work had been a "hodge-podge" in the 1970s, with some two dozen country locations managed by one executive director in the Akron MCC office. It was too much for one person to handle. There was little strategy or supervision.

Cocoa was already grown in Haiti, but there was much room for improvement. One education initiative was a simple cocoa manual in the Creole language.

"Somebody would say, 'We need a tractor.' So they'd buy a tractor. And it would break down, and there would be no parts," Janzen recalls.

The MEDA operations in places like Kenya and Tanzania were far from the strategic entrepreneurial programs that would later become identified with MEDA. Janzen recalls an early experience in Africa: "Someone had wanted to set up a printing operation. The Manitoba chapter had provided funding for a piece of equipment, and I was there when the equipment finally arrived. The local missionary was going to show me how it worked. He switched it on, but had forgotten they needed a transformer, from 220 to 110 volts, and POOF, right before my eyes, that was the end of that project. And outside was the derelict tractor."

By the beginning of the 1980s MEDA's emerging new paradigm was still gaining definition. Clearly, MEDA was in the business of "doing business" with and for the poor. A new cocoa project in Haiti provided a
Hershey, which normally didn’t bother with minuscule shipments, agreed to accept “fair average quality Haitian cocoa” at a price tied to the futures prices of the New York Coffee, Sugar, and Cocoa Exchange. It also agreed, for the next three years, to provide MEDA with technical assistance to establish a cocoa nursery and demonstration farm and to modernize Haitian farmers’ cocoa production practices; to help farmers process their unfermented beans for export and locate markets; and to help train project personnel through scholarships and short courses.

A year later the U.S. Agency for International Development (USAID) funded the expansion of the project on a national scale. Subsequent phases were funded on a matching basis with the Canadian International Development Agency (CIDA).

MEDA’s responsibility was to provide on-site supervision; help the cooperative fund the nursery, demonstration farm, extension services and equipment; and gather

Haiti was known as “a graveyard for foreign aid projects,” but that didn’t stop MEDA from plunging ahead with confidence that a businesslike approach to development could make a difference.

Cocoa became a turning point for MEDA. “It was the first time MEDA took control of a program from head office,” says Neil Janzen.

A connection with Hershey Foods had developed in Belize when MEDA executive director Lloyd Fisher helped the chocolate giant to locate land for some cocoa experiments. Paul Derstine picked up on that relationship to make a link in Haiti. In the summer of 1981 he and Fisher met with Hershey technical staff to discuss collaboration to improve production, processing and marketing opportunities for small cocoa farmers.

The basic idea was to help farmers improve their yields with good planting practices and careful pruning. Those farmers who couldn’t afford plants would be provided with seedlings on credit until the crops came in. Joint marketing direct to Hershey would increase the income of farmers, who might otherwise have to sell on the spot market at less than ideal prices.

Raw cocoa beans drying in the sun. Some farmers brought in as little as 20 pounds, others a ton.
appropriate data to measure the impact on yields and returns.

Multiple benefits

Cocoa was an important cash crop that also prevented erosion on hillsides. Cocoa trees usually were interspersed with other crops such as yams, peas or corn. Their shade covering protected the other crops, controlled weeds and kept the ground from drying out. It was a low technology crop that required no large mechanical inputs.

Previously, farmers sold their product when it was ready, at whatever price they could get. MEDA built a storage depot at its Port-au-Prince headquarters so that cocoa from the various production centers could be stored and shipped when prices were optimum. This was particularly important because so many production units were small. Some farmers brought in only 20 pounds of cocoa a year, while others brought in a ton.

This all transpired during the waning days of Derstine’s tenure at MEDA, and most of the emerging cocoa project fell to newcomer Ron Braun.

Braun and his wife, Elaine, had been working in Jamaica under MCC. He had been thinking long and hard about “aid” to low-income countries. He was skeptical of programs that tried to “do everything” and thus ended up doing very little. MEDA’s cocoa project appealed to him because “it had all the elements I was looking for — a clear task, and all the latitude needed to get the job done. That led to us going over to Haiti in August 1983.”

The first shipment of 100 sacks of cocoa beans went to Hershey Foods the same month. The results were promising, with 50 farmers receiving an average final price of 51 cents per pound.
A new era unfolds

rather than the 28 cents they would have received through the traditional marketing structure.

In March, 1984, Braun reported that most of the 21,000 seedlings raised in the nursery over the previous year had been outplanted and fared "exceptionally well." Some 229 persons had participated in cocoa seminars.

The original project design called for adding value through cocoa processing within the cooperatives, but MEDA quickly realized it didn't have the capital to crank that up nor would there be real value added to the cooperatives beyond selling their product.

"We simply wouldn't get the return on investment that we expected," Braun said later, "but the value adding in that cycle was an equitable market for raw product. And so it shifted to a marketing from a processing-based project."

In the first five years nearly 300 tons of cocoa, worth about $750,000 U.S., was shipped. By 1986 growers were getting 75 cents a pound, more than triple than before the project started. This directly helped the 1,600 coop members and their families who eventually got involved in the project, and provided indirect benefits to the many thousands of people who lived in the communities where activities were based.

In 1986, 126,000 seedlings were prepared to replace old trees on a systematic basis. The seedlings were sold on credit against future bonuses, so anyone who could find a patch of land to work could get started for a relatively small investment.

Cooperatives the key

A key to the cocoa project's success had been the development of local cooperatives, a movement built on a foundation laid many years earlier by Mennonite Central Committee. The oldest coop, Jean Baptiste Chavannes at Grand Riviere du Nord, actually got underway in 1964 to process pineapples and mangoes for export. It later disbanded, but when Paul Derstine came along with cocoa, the basic structure was still there. In 1982 Jean Baptiste Chavannes was reactivated and formed the basis of the MEDA cocoa test project.

MEDA moved quickly to expand the scope and achieve critical mass at a time when cocoa prices were rising, bringing good early gains and benefits to farmers. Within a few months cooperatives in other key cocoa-growing areas were brought in. Their number varied over the years. In the mid-80s there were eight active cooperatives, ranging in size from two dozen members to the 600-strong Jean Baptiste Chavannes.

The cooperatives had an impact that went far beyond the mere growing and shipping of cocoa. "We want to bring the people together in a long-term way that will have a life far beyond any MEDA involvement," said Ron Braun in 1986. "The educational component is really the business of putting ourselves out of business."

MEDA's desire was to empower people by nurturing resources that already existed and applying them to meet the basic needs of their populations.

Political disruption terminated the cocoa project. When Jean-Bertrand Aristide was overthrown during his first presidency in the early 1990s, the military coup leaders banned public meetings of any
kind, including cooperatives. Everyone went underground for a time. This was followed by an embargo on Haiti by the Organization of American States (OAS), which further hampered the project.

Years later, Braun looked back on the project and mused about its rocky path.

"As I understand it, those coops are still operating.... The amazing thing is they weathered this impossible environment. When it was impossible to function, they still found things that they needed to do for

Bolivia

Bolivia bears the distinction of being MEDA's longest continuous field of work — more than three decades. As noted elsewhere, it was here where MEDA hired its first full-time overseas worker, Ken Graber. For many years, all MEDA work in Bolivia would be almost synonymous with the names of Graber and Calvin Miller.

Miller had come to Bolivia at the age of 21 to work with MCC. Much of his early work had to do with small farmer credit, helping start two rural finance programs, one for Progreso and another for the La Merced Coop. Both coops benefited immensely from their association with MCC and later MEDA. La Merced's rural finance program now has about 6,000 active clients. Progreso has 2,500 to 3,000 active members.

Miller left for further study, then got married and came back to Bolivia in 1980 with MCC. His job was to lead a major expansion of the rural coops. He worked closely with Graber while with MCC, looking at different farm practices. He then joined MEDA and succeeded Graber as country manager in Bolivia.

Staff worked alongside local cooperatives to organize new constellations of farmers to work together at common issues. One was the Yapacani Dairy Association, which became the largest group of dairymen in eastern Bolivia. MEDA also helped Heifer Project International start Unapega, a 1,200-member small dairymen's association among the poor people. These were groups that originally started very small — one cow per family and a rotating

MEDA's work in Bolivia would become synonymous with the names of Calvin Miller (shown above teaching a rural finance class) and Ken Graber.

their members and their communities. Even through the coup these guys continued to plant trees, keep clonal gardens going and do other things like raise pigs."

Overall, good things happened through the cooperative movement, even though sustained high-quality cocoa production was not one of them.

"There was enough energy around this," says Braun, "that some coops gained enough faith in themselves and effected some sort of change."
A new era unfolds

credit program — and grew into large dairy associations. Staff also worked with mechanics, appropriate technology and financing of animal traction in regions where financial and business access for appropriate technologies was not an option.

In June 1980 Graber reported that MEDA had invested $101,680 in Bolivia since 1974, primarily in credit and credit-related services to campesino farmers, cooperatives and small businessmen. Moreover, MEDA had “directly influenced credit activities of international funding agencies, private volunteer organizations and agencies of the Bolivian government.”

Hyper-inflation

In the early 1980s Latin American economies were rocked by instability. One of the hardest hit was Bolivia, which was described as South America’s worst economic wreck. “Chaos, strikes (482 nationally in 1984) and blockades have dominated the country for several years,” wrote country manager Calvin Miller in 1985. Production had reached record lows and legal export earnings had dropped 50 percent since 1981. In turn, drug trafficking and contraband activities had soared.

Bolivia also suffered a period of hyper-inflation (1983-86) that defied belief. The worst was a mind-boggling 23,800 percent between October 1, 1985 and September 30, 1986. This meant that during one year prices went up 238 times.

It became impossible for agricultural programs to adjust interest rates to keep up with inflation. In rural lending MEDA started using “Product Clause” or commodity indexing. This meant if you were lending for farm production you would index the value of the loan to the price of, say, a quantity of corn, rice or milk (adjusted for seasonality). So the value of the outgoing loan would be calculated according to how many bags of corn (or whatever) it was worth at the time, and repayment would be made according to how much the same quantity of produce was worth then.

How could a commodity loan keep up when inflation hit a breathtaking 23,800 percent.

Staggering inflation in Bolivia made agricultural credit a nightmare. A million Bolivianos (top) became worth 52 cents, so the government kept printing ever-larger bills. The cost of fresh currency from outside printers became the third largest import cost in 1984.
That approach didn't work for multi-sectoral cooperatives. Miller spent most of the 1985-86 year working with all kinds of financial institutions and farmer associations in coping and adjusting to hyper-inflation. He developed a credit index that roughly followed the consumer price index and allowed the organizations to be repaid an approximate fair value for what they were lending out.

There was some resistance to Miller's plan at first. Some alleged that it took advantage of the poor. Some associations found it hard to adjust because they'd look at their balance sheets and think they were making money. "In the end," says Miller, "many organizations were saved by helping them index and adjust and change their policies. Later they said they were really glad we stuck with it, but at the time some people couldn't see it."

Bolivia's Berlin Colony

In 1985 MEDA began work in the Berlin Colony in eastern Bolivia, trying to develop an integrated approach for campesino farmers.

The colony, today permanently submerged by flooding, was a newly-settled lowland region, about 25 miles by 15 miles in size, containing some 1,800 families in 25 scattered villages.

Farsighted colony leaders recognized the need for an integrated approach. They also knew it had been employed elsewhere in Bolivia by MEDA. Under the direction of Ken Graber, MEDA had worked with various agricultural and credit cooperatives and had developed a reputation for helping small farmers become self-reliant.

In 1985 colony leaders invited MEDA to begin work in the Berlin region. In line with MEDA's aim of bolstering local institutions whenever possible, Miller channelled training and credit through the emerging cooperative movement. Several embryonic coops existed and there was a strong vision for increasing these both in number and in strength. By 1992, two-thirds of the villages in the colony had agricultural cooperatives, and those worked together in a regional federation whose Spanish initials were CCAB. It was under the CCAB umbrella that MEDA did most of its work in the Berlin Colony.

The general goal of the program was to strengthen the zone's farm economy by sustainably improving productivity, incomes and living standards. This meant helping farmers to improve cropping and marketing practices, and to gain access to vital resources like credit and supplies.

Rice and corn were the main food and cash crops in Berlin Colony when Miller came on the scene. A significant obstacle preventing full return was lack of storage facilities. Traditionally farmers threshed their rice out in the open, where it was vulnerable to moisture, mold and pests.

Colony leaders had longed for a secure crop storage facility. MEDA's assistance and a Bolivian government grant of $62,000 mobilized local energy to make it a reality. The project consisted of a storage center, a concrete drying floor, three smaller regional storages, and a small building to house offices and a supply store.

By storing in a safe environment the farmers could also take advantage of optimum prices rather than being forced to sell immediately after harvest, when prices were often low.
A new era unfolds

Potatoes

MEDA promoted a farming systems approach, looking for what could be raised in the off-season to both control weeds and provide another income source. It settled on a mix of potatoes as a regional crop, vegetables for home consumption, and beans as something to grow on a larger scale for export.

The transplanted highlanders were already familiar with potatoes, however different techniques were necessary to cultivate the crop in lowland conditions. MEDA encouraged the use of certified seed and within two years the colony was producing normal-size, first-class potatoes, compared with the golf-ball version grown in the tropics. "Berlin went from no potatoes to becoming the largest single producer in the lowland region," said Miller.

Growing potatoes was a bigger deal than just introducing better seed. An important component was the introduction of farm credit. In the past, the farmers hadn't had the upfront cash to purchase seed because the potato planting season overlapped with the rice and corn harvest. They couldn't afford to buy potato seed when they hadn't sold their rice crop yet. Credit offered through CCAB served to tide them over from one crop to the next.

A farming systems approach brought potatoes into the Bolivia mix, helping rekindle hope among lowland farmers.
Potatoes also represented new risks for the Berlin farmers. It was a high-income crop, but relatively more demanding due to the capital inputs, weather variations and more stringent grading factors. “Changing a system is seen as high risk,” said Miller, “and the poor can’t afford risk. In order to survive they have become accustomed to try to minimize risk. When we introduced potatoes, no one wanted to buy certified seed because it was more expensive. Once they saw the difference it made they preferred it even though it cost a lot more.”

In 1991 the Berlin zone produced 400 metric tons of potatoes valued at $88,000 and representing 3,600 person-days of employment.

It was in marketing this increased production that a key benefit of CCAB became apparent. By working together, even the smallest producer could gain market access and benefit from economies of scale.

One of the key tasks of MEDA’s Berlin program was to rekindle a sense of hope. “There’s a lot of tradition to overcome,” said local leader Abraham Colque. “Many people had given up and had begun to accept things the way they are.”

MEDA continued to work with the Berlin Colony until a major flood in 1992 destroyed it and cut a new path for the Rio Grande River. The farmers moved on, but MEDA’s work had not been in vain. They took with them the lessons and inspiration they had learned and applied them elsewhere.

Beans

One of MEDA’s most visible contributions to Bolivian agriculture was the introduction of beans.

The Berlin campesinos were not bean eaters. At the high altitudes where they had lived previously, beans didn’t grow well because it was cool, didn’t cook because of the lower boiling point, and perhaps worst of all, didn’t digest.

But Miller believed beans would be a useful lowland rotation crop. It would give the farmers something to cultivate in the off-season, aiding weed control. Previously, people would lose farmland because the weeds would take over. Then they’d slash and burn. Beans allowed them to cultivate and make money in the off-season, as well as control weeds and gain some nitrogen from the legumes. Beans required plenty of hand labor but little cash outlay, making it an ideal crop for campesinos.

The farmers in the Berlin Colony trusted Miller, and took the risk of growing beans. The local university had done some work with beans but had not been able to find a market. Miller chose a variety suited to the Brazilian market and picked up where the university had left off.

When Miller launched a national bean producers association he involved the national Federation of Women’s Clubs, who helped with promotion to open the local market. Every effort was made to encourage bean consumption. A bean recipe book was produced. Beans were packaged in small bags so supermarkets would handle them.

The real future, though, was in exports. Neighboring Brazil was the world’s largest consumer of beans and the Bolivian harvest coincided with when Brazilian prices were highest.

Brazil was fiercely
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protectionistic, however, and managed to stall imports the first year. But Miller persisted. A contract was signed with the largest supermarket in western Brazil. Then the Latin American Trade Agreement (LATA) opened the way for greater movement.

In 1987 a shipment of more than 100 tons of edible beans was sent to Brazil. Local media called the breakthrough one of the highlights of the year.

Farmers who produced beans made an average of $30 per acre from their new crop.

An evaluation team led by MEDA member Henry Rempel examined the Bolivia bean program in 2000 and found that 90 percent of the farmers in the Berlin region were growing beans and 75 percent of the families were consuming them regularly.

Today edible beans is Bolivia's second-largest agricultural export.

In Miller's view, some of MEDA's greatest impact took place through the influence it exerted on other organizations. MEDA had created a niche as a business-focused development organization at a time when very few others fully grasped the concept. "MEDA had a lot of influence through extension programs and associations, possibly more than through its stand-alone programs," says Miller. "Even MCC is much stronger for what MEDA did."

MEDA was far ahead of its time, according to DBD's products, made from a laminated blend of three native woods, were beautiful. But production wasn't the key issue.
Miller. "Institutional strengthening, empowerment and partnerships is what many development organizations are now pushing," he says. "Yet some of this is what MEDA had been doing for ages. It's kind of ironic that other organizations think this is a new concept."

When Ken Graber began working this way during MEDA's early days in Bolivia, "it was the only way that made sense for a small organization like MEDA," says Miller. "The downside is that it's a bit harder to fund because you don't have a specific product."

An example was MEDA's involvement in founding the National Ecumenical Development Association (ANED), a group of 25 NGOs involved in finance or business development. ANED has become the largest network of rural financing agencies in Bolivia, with a $3 million loan portfolio.

Even within MEDA not everyone understood why Miller spent so much time with ANED, but today he looks back and concludes that it was well worth the effort. "We had a huge impact on that organization and on all the organizations that were members of it. It wouldn't exist if it wasn't for MEDA."

**Jamaica farewell**

MEDA's work in Jamaica was not of long duration but the role it played was critical. For one thing, Jamaica brought MEDA into contact with Ron Braun, at the time a young Mennonite Central Committee volunteer there, who would later steer MEDA into innovative new directions. For another, it served as a crucible of learning during a formative phase of MEDA's philosophy.

As in several other countries, MEDA got started in Jamaica in cooperation with MCC. From 1981-83 MCC and MEDA worked together in the Jamaica Economic Development Committee (JAMADEC).

"We had gone through a number of economic assistance projects with pastors that we pretty much knew were not the way to do things," Braun recalls. "But it was really a great training ground for some of us to get introduced to enterprises and how enterprises work, the issues they faced and what they needed beyond good intentions to really make a go of things. A major lesson was how to identify entrepreneurs and projects that had a chance and not try to force things on people who weren't equipped, who didn't have the intention of growing their business."

MEDA's early Jamaica work was linked with the Mennonite church, trying to find ways to improve the financial stake of pastors, farmers and congregations. It also helped an Anglican congregation expand a pastry shop and establish a woodworking operation, and helped a Bible college equip a vocational center to teach welding and carpentry to young pastors.

What came to dominate MEDA's work in Jamaica was a modern wood products plant it built on the north coast, between the tourist centers of Montego Bay and Ocho Rios.

The person who singlehandedly started the ball rolling was the late Erv Wall, part owner of a company in Winnipeg that produced trusses and pre-fab building systems. On a Jamaican vacation in the early 1980s he stopped in a gift shop and was surprised that most of the "jamaican" souvenirs were made in Asia. He
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went from one shop to the next, asking shopkeepers if they had anything that was genuinely Jamaican. The answer was no.

Wall was also stirred by the number of north coast Jamaicans without work. Jamaica had suffered from the decline of the aluminum industry. The island's red soil was rich with bauxite, the principal source of aluminum. At one time seven large plants thrived there, but most had closed by the mid-1980s, leaving thousands jobless. Unemployment was 30 percent. With many more unemployed, less than half of the population had a stable income.

Wall began to muse about setting up a plant to fashion authentic Jamaican souvenirs from the country's abundant tropical wood and thus create much-needed jobs.

Upon his return to Manitoba he promoted his plan to friends and to MEDA. Ron Braun, by then MEDA's Caribbean director, had several reservations, one being that the proposal was too capital-intensive to be developmentally sound. Nonetheless, he and others in MEDA had great passion for Jamaica, and Wall's enthusiasm was infectious. The concept was approved by the MEDA board in 1985.

As the idea progressed, further benefits were envisioned. Besides providing jobs, it aimed to help workers develop new skills, unlike many foreign-owned "screwdriver" operations that shipped in pre-cut components for cheap assembly. This plant would begin with raw boards and add the value on-site. Its location would serve as a model of decentralization in a country where most industry was concentrated near larger cities like Kingston. And if a good export market developed, it would generate badly-needed foreign exchange.

Manitoba companies like Kitchen Craft, Palliser Furniture, Loewen Windows, Olympic Building Systems (Wall's company) and others donated equipment and agreed to be represented on the advisory board.

MEDA's Jamaica contacts soon elicited interest from Kaiser Aluminum, which was located nearby. Kaiser officials, intrigued by the job creation potential, provided land for the site, offered free transportation of equipment and supplies from U.S. ports, and agreed to participate on the board.

The new plant was located in the small town of Discovery Bay, named after the adjacent inlet into which Christopher Columbus sailed in 1494. Accordingly, the plant was called Discovery Bay Designs (DBD).

The initial capitalization comprised $135,000 from MEDA and a $425,000 grant from the Canadian International Development Agency (CIDA).

The building was an Olympic package, including trusses and metal siding. Wall came down to supervise the building. There were problems from the outset, but the plant, along with a retail store, finally got under way in late 1986.

DBD produced some 40 different houseware products, ranging from serving trays and bowls to coasters and cutting boards. Most utilized a laminated blend of three local wood varieties — Blue Mahoe, Santa Maria and Spanish Elm.

The initial plan was to market heavily to tourists, but tourism suffered a catastrophe just as DBD was getting going. Urban unrest erupted in Kingston. Riots, in which many Jamaicans were killed, made world headlines. Even safer...
locations in the north were dropped from cruise ship itineraries. "Days would go by without any ships docking in Ocho Rios," says Fred Wall, a cousin of Ery Wall, and one of the first people recruited to the project. "And when they did, the tour buses didn't stop in Discovery Bay.

"We had a lot of bad luck. If we'd had tourists walking by it might have been very different."

The plant functioned well as a producer of charming wood products, and even made a profit for a few months. But it never lived up to the dreams of its planners. At its peak, DBD employed 35 Jamaicans, never reaching its goal of 50. It eventually turned to other products, like desks and cabinets, and finally was sold to local interests. It is still in operation, employing 15-20 people.

Discovery Bay Designs was an expensive lesson. While most development involves some degree of outside intervention, this project was especially heavy-handed. Equipment, expertise and management were shipped in from the outside.

The scale was far out of proportion compared to other MEDA endeavors and in light of earlier lessons regarding large capital-intensive projects. The Small Business Development Program in neighboring Haiti had begun with only $75,000. Putting out more than $500,000 for DBD to try to get a few dozen jobs was not, in developmental terms, a good return.

A basic business flaw was that the end market of DBD's production was not given enough attention. "We

Meet the faithful veterans

The longest-serving people in the MEDA system work in Port-au-Prince, Haiti.

Anna Prophete joined the MEDA office staff in mid-1984, working for then-country manager Ron Braun. Odette Austil joined that fall. Today Prophete is the office receptionist and Austil is office manager/human resources.

Over the years they have valiantly faced the struggles of working in one of MEDA's hot-spots — including repression, coups, embargoes and civil strife.

Austil recently described MEDA as "my other family, where you learn to cope with the ups and downs. Even if you feel the boat is at stake, never fear, the team spirit is strong enough to enlighten the way.

"I have been long enough with MEDA to have the privilege to say that it's a place blessed with the best people in all categories. The mission and the vision are always kept as the light... MEDA is a reference, one can be proud to have."

Since 1984 Odette Austil (left) and Anna Prophete have stuck with the MEDA program through its ups and downs in Haiti.
did what many companies do in their early years,” recalls Braun. “We had great product, the nicest stuff around. We thought, ‘How can the world not want our product?’ But the issue wasn’t product, it was marketing. You’ve got to do what we did with cocoa in Haiti – address marketing. You don’t go in there and tell them how to produce more and how to improve the quality of it if you can’t deal with the marketing. We hadn’t figured out who would want to buy our wonderful products. The orientation was all wrong. Going in, all the emphasis should have been on marketing.”

Haiti’s hogs

In the early 1980s Haiti’s farmers were devastated by an outbreak of African Swine Fever among their hogs. The United States, fearful that the contagious disease would spread to its borders, funded a program to eradicate Haiti’s entire hog population.

To Haiti’s peasant farmers, hogs were like a virtual piggybank, a savings account that could be left to root around the farm until cash was urgently needed. Those studying the peasant economy said no greater blow could have been struck against small farmers than to lose their primary source of cash.

MEDA got involved with a hog repopulation project with the Jean Baptiste Chavannes cooperative at Grand Riviere du Nord to help replenish the country’s hog population.

The first pig arrives in northern Haiti as part of a repopulation project after farmers were forced to eradicate their hogs when African Swine Fever hit.

Haiti’s farmers were devastated by an outbreak of disease in their hogs.
A MEDA program helped restore their primary source of cash.

A Secondary Multiplication Center was built, housing 30 sows and three boars as breeding stock. Their offspring were distributed to farmers; each recipient in turn gave a pig back to the SMC to be distributed to another farmer. Farmers returned pigs from their first litters. The plan called for distributing more than 100,000 hogs in five years.

Most of the funding for construction aspects of the project came from CIDA. The Hatfield Packing Company of Hatfield, Pa., made a substantial contribution toward first-year operating costs. MEDA coordinated the overall effort with coop leaders and provided training, monitoring and credit services to enable farmers who received pigs from the center to purchase food.

Nicaragua

A new venture in Nicaragua in 1990 again demonstrated the nimble entrepreneurial skill for which MEDA was increasingly renowned. MEDA needed start-up capital for its new micro-enterprise credit program, based on
earlier models in Haiti and Bolivia. Rather than raise money in conventional ways, it devised a creative “food conversion” project that would put bread on Nicaraguan tables while spinning off money for long-term development work. Its partners in this “monetization” project were the Canadian Foodgrains Bank (CFGB) and the Christian Reformed World Relief Committee (CRWRC).

CFGB arranged for a donation of $190,000 U.S. from CRWRC, one of its partner agencies, to finance 27 con-

Lowell Peachey (left) was a MEDA staffer who had to leave Haiti after a military coup. He later became a member of the MEDA board and executive.

tainers (about 10,000 sacks) of high-grade Canadian flour.

“We wanted to begin some long-term assistance but we recognized the country’s urgent food needs had to be addressed immediately,” said Ron Braun, then MEDA’s vice-president of economic development. “Rather than simply ship food for consumption, we were looking for ways to extend its impact.”

The flour was received by MEDA and one of its local partner agencies, CONAPI, an association of some 10,000 small businesses. CONAPI was in a good position to handle the local marketing because many of its members were small bakeries owned by families or cooperatives.

Cash from the sale provided the foundation of MEDA’s revolving loan fund to finance micro-enterprise credit assistance.

MEDA went on to develop a successful micro-enterprise program, called CHISPA (this story is told in the section on micro-credit). It also brought its production and marketing expertise to Nicaragua, helping peasant farmers increase their incomes through production of commodities like beans and sesame seed.

Mbeya Oxenization Project (MOP)

In 1986 the Canadian International Development Agency (CIDA) asked MEDA to investigate what could be done for small landholders in the Mbeya region of southwestern Tanzania. Assisted by agricultural specialists within its membership, MEDA studied the situation and felt a contribution could be made in the area of weed control. It found that animal traction was under-utilized in Tanzania, not because oxen were unavailable but because the existing technology had not caught the imagination of peasant farmers. The key, MEDA believed, was to make available animal traction technology that made sense to the farmers who would actually have to purchase and use it. CIDA then invited MEDA to design and implement a program to address the constraints it had identified.

The Mbeya Oxenization Project (MOP), led by current MEDA president Allan Sauder, got under way in 1987 to promote the use of ox-drawn cultivators to improve weeding practices in a region where 80 percent of the cultivation was by hand-hoe and where weed problems could reduce yields by as much as 50 percent.

A secondary goal was to modify and promote other equipment, including oxcarts for transportation. The project called for inexpensive machinery that would be
A new era unfolds

affordable to marginalized farmers, and repairable at the village level.

The issue was not primarily one of technology. More critical was producing an implement that the farmers would buy and use on a large enough scale to warrant sustainable production. Thus the project had a strong marketing and extension component.

From the start, MEDA had no plans to "go into business" for the long run. It wanted to develop technology in a way that local market forces were heard so that there was actual ownership by the people who would ultimately use it. MOP wanted to work through and strengthen existing production and marketing institutions.

In 1994 the company was turned over to a private company, SEAZ Agricultural Equipment Ltd., some of whose principals had worked for MOP. SEAZ and its 14 employees continue to manufacture a popular MOP plow that locals fondly dubbed the Mkombozi, Swahili for "savior," as well as axles, ox carts, ridgers, rice paddles, harrows and weeders.

Road to restoration

Haiti had been a centerpiece of MEDA activity for many years. It was home to the cocoa project in the early 1980s, and the place where the Small Business Development Program was launched in 1986. After the cocoa work drew to a close, and the SBDP "graduated" to SHEC

"I have met the African farmer; I have also met her husband." In 1987 MEDA worked on ways to improve weeding practices. Eighty percent of the cultivation was by hand-hoe, usually by women.
(Societe Haitienne d’Epargne et de Credit), an indigenous credit union, MEDA turned to other ways to assist the impoverished country. It found a fruitful avenue of endeavor in FURREC (a French acronym for Emergency Fund for Civil Reconstruction), a MEDA-managed program to refurbish Haiti’s infrastructure while creating short-term jobs and injecting cash into a starving economy.

This was not a typical development program. In fact, some thought it smacked of relief. But to MEDA it provided an opportunity to maintain a presence in the country during tense political times while testing yet another business-oriented approach to poverty.

The program came into being in 1994 when the already-desperate national economy had lost thousands of jobs (some sources said up to 50,000) as a result of the economic embargo imposed on Haiti following a military coup.

The Canadian International Development Agency provided several million dollars to help jump-start the economy and get cash into the hands of the poor who had suffered the worst during the embargo.

No one could argue that rebuilding the infrastructure was critical. For hill-dwellers, a simple gravel road was a lifeline to the outside world, their only way to bring in food supplies, get access to medical facilities, and transport products to market.

One MEDA product was a popular plow which locals dubbed “savior.” The woman in the photo used one of these plows to win a prize in a plowing competition.
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In its first four-year phase, the project created 716,313 person-days of employment and paid out $1.5 million U.S. in wages to Haitians.

FURREC worked at three areas of improvement:
- **Civil engineering** — Roads, bridges, drainage/irrigation canals and water springs
- **Agro-forestry** — Nurseries to produce tree seedlings; production of organic compost; grafting fruit trees; hillside terracing
- **Training** — Construction training for women; adult literacy, gender sensitization

An estimated 20,000 families benefited directly from the project.

In terms of providing employment, “it gave short-term jobs to people who needed the cash the worst,” said Willys Geffrard, manager of the project’s first phase.

Most people who worked on the various FURREC projects said they were able to satisfy important household needs with the money they earned. Some paid school fees and bought books for their children; others purchased basic necessities, including food and medical care; some invested in livestock and gardens.

In many cases decrepit roads that were little more than mule paths were widened, flattened and terraced to provide suitable all-weather transportation. Many beneficiaries cited medical access as a significant result.

The first four years produced the following outputs:
- 125 miles of roads rehabilitated
- 44 miles of irrigation canals
- nine miles of drainage canals
- five bridges built
- three schools rehabilitated
- six water springs improved
- 993,558 tree seedlings produced & planted
- 9,196 fruit trees grafted
- 3,209 people trained
- 4,193 in literacy class

Similar outputs were realized in subsequent phases.

To the many Haitians it helped, FURREC may have resonated with the words of the Old Testament prophet: “They will...”

Some of MEDA’s greatest impact was its influence on other organizations.

MEDA had created a niche as a business-focused development agency at a time when few others understood the concept.

Ron Braun: “We want to bring the people together in a long-term way that will have a life far beyond any MEDA involvement.”
feed beside the roads and find pasture on every barren hill. They will neither hunger nor thirst...He who has compassion on them will guide them and lead them beside springs of water. I will turn all my mountains into roads...” (Isaiah 49:9-11 NIV).

Castro’s Cuba

Cuba held a certain allure to MEDA in the 1990s. It seemed MEDA’s blend of business, ethics and a "social bottom line" might have something to contribute, perhaps even geopolitically.

The break-up of the former Soviet Union provided a window of opportunity. As Fidel Castro’s benefactor, Moscow had provided Cuba with cheap fuel. Now the taps were shut off.

Suddenly Cuba faced an energy crisis. People turned to charcoal, wood or kerosene, creating a pollution hazard in poorly-ventilated apartments.

MEDA saw an opportunity to get its "toe in Cuba’s door" while at the same time providing an environmentally helpful response.

In late 1994 MEDA sent solar energy entrepreneur Joe Froese to Cuba to test-market solar ovens. Financed in part by Rotary Clubs in his home area of Saskatchewan, Froese planned to assemble 50 family-size ovens for home use and four larger ovens to provide full solar power for daycare centers and medical clinics.

Froese’s smokeless oven used a simple container with R-20 insulation at the back and R-12 at the sides. The

A civil reconstruction project rehabilitated many miles of mountain roads, restored bridges and irrigation canals, and created 716,313 person-days of employment in its first phases.
Extending our reach

The power of partnerships

Partners are an important part of doing business. Corporate jargon is rife with terms like coalitions, strategic alliances, networking and joint ventures. A continuing business trend is to consolidate, expand scope, increase financial muscle, reduce costs, streamline distribution, exploit complementarity, maximize synergies and gain a stronger global foothold.

By whatever name, they mean working together at a common goal, because “a yoked team can pull a bigger load.”

MEDA is a product of partnerships and mergers. From its first work in Paraguay, MEDA has been enriched by the power of partnerships. Later on it took four different organizations to form today’s MEDA.

In Bolivia one partner was the San Luis Cooperative, which still uses systems and procedures bearing the fingerprints of MEDA.

In Haiti there is SHEC, a fully indigenous credit union offering services to the poor that did not exist before we came on the scene.

Over the years members may have been baffled by the large number of MEDA’s partnerships: Hershey Foods, JAMADEC, CHISPA, CONFIA, PROARTE, Agriokasa, New York Bay, MicroVest, to name a few.

Currently MEDA is working with Scotiabank on a new micro-enterprise venture in Jamaica.

To all of these we have brought our particular “product,” which is our mission to provide business-oriented solutions to poverty. We meld market disciplines with biblical compassion to offer a unique brand of development. We delight in devising creative products that serve the poor. But we do not bury our talent; we share it. We invite others along.

“Join our crusade,” we say.

When we form temporary alliances or joint ventures to maximize our impact we do two things:

1. We produce a synergistic exchange that enables us to leverage our impact.

2. We get a chance to “spread our gospel.” Our partners are not untouched by their relationship with us. They learn from us. They take some fire from our lamp, a sprout from our branches. They learn something about faith-based grassroots empowerment. Some of our mission, our genius, will rub off on them, and may energize their future, perhaps even change their life.

We extend our reach by sharing our vision and mission in as many ways as we can. We do together what we could not do alone.
collector was made from recycled printshop plates. On a sunny day the oven could reach 400 degrees Fahrenheit, hot enough to cook rice, lentils and beans, or to sterilize hospital instruments and pasteurize water.

For a cost of $150 Froese could build one solar oven and train a family to use and maintain it. He ended up placing 250 ovens.

But for the program to be sustainable there had to be an entrepreneurial angle, and that never materialized. The Cuban government offered the “bait” of a business component but never delivered, Froese recalls. “There was no incentive for the people to even repair their ovens. After all, if the government is paying all your bills, where’s the incentive?”

At the same time MEDA worked on a proposal to become Cuba’s first “private foreign” partner. MEDA’s Nicaragua country manager, Roberto García, who as a former Sandinista government official had Cuban connections, negotiated a deal to establish a workshop to produce shoes and sandals.

The workshop was to be under Cuban management and initially employ 20-25 leatherworkers. They would technically be considered factory employees who would participate in a special incentive program to supplement their salaries according to performance. For Cuba, this would have represented a remarkable concession to capitalism. Part of its interest was hunger for foreign investment. Part may have been a sincere interest in MEDA’s philosophy of social concern connected to business activity.

The venture never got off the ground. MEDA wanted to operate as a business rather than a bureaucracy.

“We got into a difference of opinion with the government over wages,” said Ron Braun, then head of MEDA’s International Economic Development division. “We wanted to pay the employees according to what the shop could afford rather than have them be employees of the government. That’s essentially what broke the deal apart. We were driven to distraction by the difficulty of getting things done in that environment, and how the current structure had

**MEDA came close to becoming Cuba’s first private foreign partner, but bureaucracy finally broke the deal apart.**

*Solar ovens in operation on the roof of a Havana apartment block.*
A new era unfolds

gotten in the way of people moving forward."

MEDA Consulting Group

Consulting has been a vital "behind the scenes" part of MEDA for almost a quarter century. It was the brainchild of Neil Janzen and Henry Fast, who joined MEDA within a month of each other in 1979. The two had earlier explored setting up a development consulting company and they brought this vision with them to MEDA, initially calling it Human Resource Services.

Janzen and Fast's first consulting assignment was a rural development feasibility study for CIDA on Bangladesh, the second was an evaluation of the Mennonite Central Committee Food Bank, forerunner of the Canadian Foodgrains Bank.

The consulting group blossomed into a highly successful effort to share MEDA's expertise and development philosophy on a for-hire basis with agencies like the Canadian International Development Agency, Inter-American Development Bank, CARE, World Relief, MCC and others. It also carried MEDA's mission into areas like China, Pakistan and Bangladesh.

As MEDA approached its 50th year of operation the consulting group was providing an annual total of 1,987 days of consulting to 24 clients in 30 countries, as well as regularly contributing many thousands of dollars to MEDA's bottom line.

MEDA Trade Co.

In 1990 MEDA set up a new profit-making department to work at reducing poverty through "trade, not aid." At first the department was called MEDA Trade International (MTI), later MEDA Trade Co. It developed marketable expertise in the areas of international brokerage, taxation and alternative financing, commodity commercialization and product marketing.

MTC helped non-profit agencies arrange "debt for development" swaps with Low Income Countries (LICs). The brokerage service aimed to help agencies stretch the impact of their development dollars while at the same time helping poor countries reduce their international debt.

From this experience MTC became adept at currency exchange, and within a few years was arranging transactions worth $20 million a year, with participating agencies realizing gains of hundreds of thousands of dollars a year.

For a number of years MTC has operated a service to help charities recover taxes they'd overpaid. Many charities failed to take advantage of legitimate tax exemptions, and government bodies seldom went out of their way to correct any oversight.
The service examined a charity's records and determined the taxable status of purchases. It then prepared and filed refund claims on behalf of the organization and defended these claims at any hearings. MTC's fee for this service was 25 percent of the recovery.

In its first year the service helped 25 non-profit agencies recover the equivalent of $345,000 (U.S.) in taxes, earning revenue of $86,000 for MEDA's programs. The earnings of currency transactions and tax consulting have produced a steady stream of income for MEDA.

MEDA Trade developed a range of profitable trading relationships to benefit the poor, including commodity monetization of supplies like cooking oil for Uganda and medical supplies for Congo.

An ongoing project has been to expand the use of insecticide-treated mosquito nets to fight malaria in Africa by helping manufacturers improve their marketing. Malaria annually claims more than 2.5 million lives, mainly African children, and treated nets can reduce this considerably. Business is seen as an important partner in boosting ITN usage by addressing barriers in marketing, product awareness and distribution.

Another thrust of MEDA Trade has been helping Ugandan dairy producers improve the packaging and promotion of long-life Ultra High Temperature (UHT) milk.

Sarona comes full circle

MEDA began by making direct investments to help refugees in Paraguay. The power of investment was never far from view as MEDA matured. In 1999 this strategy was formalized with the establishment of the Sarona Global Investment Fund.

This legally separate fund gives private investors a chance to serve the poor through investment-based development. The name pays tribute to MEDA's inaugural work with the Sarona Dairy, named after the biblical "plain of Sharon."

Sarona invests in profitable businesses or sustainable non-profit programs that provide a benefit to low-income communities. These include financial services companies that furnish capital to microenterprises, agricultural firms such as a starch plant in Paraguay and a hydroponic farm operation in Peru, plus marketing companies and trade cooperatives.

In 2003 the fund exceeded $5 million, with investments coming from individuals, churches, ethical mutual fund companies and credit unions. Sarona is managed by MEDA Investments, Inc., a wholly owned subsidiary of MEDA.

An early shot of Jerry Quigley, longtime head of MEDA Trade Co., presiding over a convention display. He devised novel ways to build trade with developing countries, ranging from brokerage activities to products like the see-through "re-bag" (left of photo) for grocery stores.
It was one of those "ah-hah" moments — discovering that credit was key to alleviating the poverty of millions. Springing to action, MEDA became a pioneer in a movement that forever changed the world of development.

Banking on the poor

In the 1980s westerners first heard about the "informal economy" and "micro-credit." Words like "micro-entrepreneur" made the long leap from the street vendor peddling fruit on a Lima street corner to the financial pages of the New York Times.

Who were these micro-entrepreneurs? They were shopkeepers, artisans and metalworkers who plied their trades along the busy streets and alleys of third world cities. They hammered out plates from scrap metal, braided rope out of sisal fibers and arc-welded metal chairs using electricity hijacked from a public line.

What they had in common, besides small scale, was their productivity. In some countries they accounted for half of the gross national product.

Another thing they shared: they could benefit hugely from management assistance and credit. The latter was generally out of reach. Banks couldn’t be bothered with the small loans they needed, and loan sharks could bleed them to death.

MEDA's history in this field went far back. In the early 1960s Lloyd Fisher, seconded to MEDA by Mennonite
Central Committee, made small loans to farmers in the Volendam Colony of Paraguay. From 1973-75, Roger Friesen developed a micro-credit program for MEDA in Colombia, lending $500 to $1,000 to seamstresses, cobblers and merchants.

A decade later, the Small Business Development Program (SBDP) would make micro-credit MEDA's bread-and-butter in the world of development.

In the early 1980s Ron Braun was hired to direct MEDA's work in the Caribbean region, with special attention to Haiti, the poorest country in the western hemisphere. At the time MEDA was working with cocoa, providing a link between peasant producers and Hershey Foods.

"Being based in Port-au-Prince we were increasingly becoming aware of all the entrepreneurs there who didn't have opportunity, who lacked access to capital in the same way that the cocoa farmers had lacked access to market," recalls Braun. "Maybe that's an issue that was the takeaway of my first years — trying to focus a program, trying to zero in on where the gains could be had, rather than trying to respond to every need."

In cocoa the gains came from addressing the fundamental constraint of access to market. It would soon be discovered that for the myriad tiny entrepreneurs struggling to get ahead in Port-au-Prince the main obstacle was lack of credit.

Back in Winnipeg, Neil Janzen and Henry Fast had roughed out a proposal to the Canadian International Development Agency (CIDA) for a Small Business Develop-
Banking on the poor

Program director Chuck Waterfield (right) chats with one of MEDA's early micro-enterprise clients.

Braun took their beginning as a mandate — how do you execute a program to help small businesses. Every word in the name was important. To most people, the words "project" and "program" may seem interchangeable, but Braun saw it differently. "Program was important to me because it meant more than a single project. It wasn't about a single project; it was about understanding how you got leverage out of this, and established some sort of methodology that would establish institutions that were ongoing." This was the origin of a progression that would become a MEDA mantra: "from project to program to business.

Braun examined other fledgling small business development efforts in the Caribbean and concluded that the heart of the SBPD would have to be small-scale credit extension. The point was not for MEDA to "get into business" (as it was doing with the ill-fated Discovery Bay Designs in Jamaica) but to identify those who already were in business and find out how to assist them "with the lightest touch possible."

The emerging philosophy was an entrepreneurial version of "more with less." Braun contended that much development activity was "killing with kindness," as well-meaning agencies tried to do so much for those who seemingly could do so little. MEDA's spark of insight was to instead recognize the potential that was already there, to see how much the poor were already achieving, and how little was really needed to help them take the next step.

The "most remarkable serendipity" occurred when Chuck Waterfield strode into the Haiti MEDA office looking for a place to serve. "Chuck understood immediately what we were getting after," says Braun. "He grabbed that vision."

Waterfield and his wife, Sue, were hired to fine-tune and launch the program, beginning in Haiti and Jamaica, and then Bolivia and Nicaragua.

The basic idea was quite simple. It saw micro-enterprises as the backbone of the informal economy and a key source of increased employment and income. Loans of a few hundred dollars would be provided for short periods of time at reasonable interest. Clients who borrowed money would agree to receive training in various management skills applicable to their business. Loan repayments would go into a revolving loan fund to capitalize future work.

Operators of tiny businesses were delighted. Once cleared for a loan, they would receive regular visits from credit officers who provided training and technical assistance and monitored repayments. Delinquency rates were relatively low, given Haiti's frequent political disruptions. Most clients, happy for the access to credit at an affordable rate (12 percent in the early years, instead of the 250 percent charged by loan sharks), worked hard to repay on time.

Applicants who did not qualify for individual loans could gain access through a solidarity group. These were groups of five or six people who were given loans of $100 per member for short periods and held one another accountable for repayment. Most were market women

The Marketplace November December 2003
who sold their wares on city streets.

Some clients made dramatic gains in a short time. Rony Felix, a shoemaker, did so well with his loans that he was able to expand his business to employ five people and take on two apprentices.

Another smaller-scale shoemaker was more typical. Despite having been in business for 10 years, he had invested only $106 in his operation, tools and inventory combined. The pressures of living in absolute poverty forced him to take home every penny he made. Sometimes he had to sell at a loss to get enough cash to feed his family for the day.

SBDP lent him $150 for nine months. The training challenge was to get him to plan for the future when he was accustomed to thinking about one day at a time. The loan allowed him to buy inventory in larger quantities, such as a gallon of glue rather than a tiny jar. The economies of scale increased his profit margin and allowed him to spend more time making shoes and less time running around buying materials. After three months his net value had grown 15 percent.

The initial goal to assist 100 clients in the first three years was met in eight months, with a repayment rate of better than 90 percent. By the end of 1988 the Haiti program had made more than 400 loans averaging $500 each.

On average, clients recorded a 27 percent increase in income and a 30 percent increase in assets. One new job was created for every $1,032 loaned.

Increased income allowed some clients to replace a roof on their shack. For some it meant giving children two meals a day instead of only one. It often meant the difference between children going to school or staying home.

Jamaica

Shortly after starting in Haiti, a modest replication of the SBDP was begun in Jamaica, a nearby country not as brutally impoverished as Haiti. Jamaica had a more sophisticated network of services targeted for small businesses, but its existing institutions did not always deliver the services needed by the poorest sectors. Jamaica would help MEDA fine-tune the SBDP methodology (and ultimately find it unsuitable there) and define its limitations.

The Jamaica version was called Mini Enterprise Services (MES). It operated two offices in Kingston. Three consultants along with country manager Dick Neufeld and his wife Anna worked out of the Allman Town area, and two other consultants worked in Rollington Town.

Due to a variety of setbacks, including the devastation of Hurricane Gilbert in 1988 which wiped out much of the program's loan portfolio, Mini Enterprise Services never gained the foothold the SBDP did elsewhere. When it shut down, the remaining capital was placed in a Jamaica trust fund to finance similar or related ventures.
For a number of years MEDA had no active work in Jamaica. In 2003 MEDA's micro-finance department began working with the giant Scotiabank to develop a micro-lending program for small entrepreneurs in the poorest areas of Kingston.

Bolivia

In 1988 MEDA asked the Waterfields to launch a similar program in Bolivia, where MEDA had been carrying out rural development for a number of years. Here the program was named PRISMA, a Spanish acronym for micro-enterprise assistance that also suggests the light-refracting qualities of a prism. Before long, PRISMA had 800 clients. Their stories would have a common thread: The combination of a loan and management training was just what their business needed to stabilize and grow to a higher level of productivity.

The quality of the training, which covered basic business issues of production, planning, accounting and sales, set PRISMA apart from other credit programs that provided loans but no training. (MEDA, too, would eventually stop offering training in response to growing competition. For many micro-entrepreneurs, the pressures of running their businesses were so great that they didn't have time to attend class, especially when similar programs down the street didn't insist on it. Yet when MEDA returned to do an in-depth assessment years later, former clients still praised training as a key to their business vitality.)

Some PRISMA clients had very small operations, others approached the upper end of the broad target segment which MEDA called "the poorest of the economically active." The average size of a first loan was $800, but second loans of $1,600 were possible. Third loans could go as high as $2,500.

The proportional fees on a larger transaction offset the cost of administering small loans, helping to subsidize those on the lower end of the scale.

When the Waterfields came to Bolivia they had searched out a local institution capable of eventually taking over, in line with MEDA's goal of turning programs over to indigenous ownership when feasible. This they found in the San Luis Cooperative, which had wide experience in credit and a commitment to principles of mutual support.

By the time the Waterfields left Bolivia in 1991, PRISMA had issued 1,049 loans worth a total of $912,184 and had created more than 2,000 new jobs.

Some clients managed also to make a dent in macro issues. One was tailor Demetrio Vacaflor. Before he joined the program he made only shirts but wanted to branch out into jeans and overalls. Loans enabled him to invest in fabric and equipment for heavier stitching. That, plus the training in business fundamentals, boosted his business where he could begin exporting to Argentina.

Vacaflor exemplified what micro-enterprise development could achieve. Not only did he generate income and jobs, he also displaced imports. Every shirt produced locally meant money staying in Santa Cruz. Bolivians had a taste for imported goods and a sense of inferiority about their own. To survive, local tailors devised bootleg imitation labels (such as "Wangler" or "Ralph Lauren"). Producers like Vacaflor, who bucked the trend by boldly displaying personalized labels, showed that local pride was emerging.

Nicaragua

Nicaragua was getting few headlines in the North American press when MEDA replicated its micro-enterprise program there in 1990. The
Clients of the Mbeya Credit Facility in Tanzania.

war between the Sandinistas and the U.S.-backed contra rebels was long over. A market-oriented government had taken over from the revolutionary Daniel Ortega, and the U.S. had lifted its economic embargo.

But the convulsive switch from a centrally controlled to a market economy had left a messy legacy. Frequent currency devaluations in 1990 followed by super-devaluation of 400 percent in the spring of 1991 left many small businesses completely decapitalized. Removal of import restrictions by the new government opened the gates to a flood of foreign goods. Local producers, accustomed to government protection, struggled to compete.

MEDA's Small Business Development Program began in Masaya, a city of 70,000 only 30 minutes from the capital of Managua. Masaya was a regional center for handicrafts and comprised some 40 percent of Nicaragua's small industry. An office was established near the city center and the first loans were issued in April 1991. The program went by the name of CHISPA, a Spanish acronym meaning "spark."

CHISPA racked up stories of micro-enterprise success that by now were becoming common. The program did well. Before long satellite offices were opened in various locations.

MEDA's micro-enterprise work would reach its greatest level of maturity in Nicaragua. It would spread to numerous locations and, as will be seen later, developed into a bank for the poor. MEDA was clearly on a roll with micro-enterprise.

Tanzania

By the 1990s MEDA felt the time was ripe to re-enter Africa with its bread-and-butter programming. By now it had a dozen years' experience running extensive micro-

continued on page 58
Small business in Santa Cruz

After launching the Small Business Development Program in Haiti, MEDA sent Chuck and Sue Waterfield to Santa Cruz, Bolivia, to replicate the program there. The following photos, taken in 1991, give a flavor of how it operated.

Clockwise, from top left:

Even before MEDA came on the scene, credit was available in Santa Cruz — but not at affordable rates. Local money vendors were happy to lend money at interest rates of 250 percent.

A PRISMA staff member explains the program to a prospective client.

Specially designed training materials, produced by Chuck and Sue Waterfield, taught the basics of business in language that was easy to understand.

It’s graduation night and clients are displaying their wares. A client who manufactures furniture has brought one of his chairs and is demonstrating his “sales pitch” to program director Chuck Waterfield (seated).

After graduation, clients proudly displayed their PRISMA diplomas in their place of business.

Many clients found it a new experience to systematically make loan payments and deposit savings.

Chuck Waterfield meets with credit consultants to discuss the status of clients’ loan portfolios.

A client makes his loan payment at the credit union office.

Some clients in the garment business developed enough confidence in their work to display their own brand labels. Other tailors sometimes used pirated labels like the product here, which sports both Calvin Klein and Christian Dior on the same shirt.
lending programs. It remembered its earlier African experience and was more conscious than ever of the need to develop local capacity so a program could live on its own. It was getting a tougher skin, and was becoming more willing to say so. People needed to know that running a development program meant tough choices — when to advance more money, when to be hardnosed, when to pull the plug — and that this was all part of helping the poor.

Meda client at her market stall in Mbeya, Tanzania.

Meda began working with micro-credit in Tanzania in 1993, starting in the city of Mbeya, where it had spent several years developing the Mbeya Oxenization Project (MOP). From the first day of business, women lined up early in the morning to get on the waiting list for a small-business loan. "At the time we were sharing office space with a clinic located right in the market area," said Allan Sauder, then director of operations. "When the crowd swelled to 1,500 our staff decided to relocate to another section of town so people could have easier access to the clinic."

Tanzanians bubbled with enthusiasm over the program. One woman named her firstborn son "Meda" in honor of the program that had helped her in business.

With an eye to the future, and eventual "graduation" to indigenous operation, Meda formed a company called Huduma ya Maendeleo (Swahili for "service of development") to someday take over. Huduma's board had some blue chip Mennonite members, like a senior banking executive and a highly-placed diplomat.

The new program got off to a promising start. Initial targets, though ambitious, were soon met and surpassed. The five-year plan called for 13,000 loans. By the end of the first year, 5,000 loans had been made. Within 18 months the loan portfolio grew to $670,000, with much of the capital coming from the Canadian International Development Agency (CIDA).

Ruth Dueck Mbeba, a veteran financial officer in Meda's Winnipeg office, transferred to Tanzania. The program kept growing. Within two years a similar credit facility was set up in the capital city, Dar es Salaam.

The two programs had their own regional traits. Coastal Dar es Salaam was hot, swollen and overworked. Mbeya, a much smaller city of 400,000, was elevated and green, surrounded by some of the most fertile land in the country. Mbeya was the larger of the two programs. By the late 1990s it had 1,061 clients; Dar had about a third that number.

One of Meda's challenges was to introduce a credit
micro-enterprise clients and making fake loans to them. Approximately a third of the program’s clients didn’t exist.

MEDA set to work to restore the program and repay all the lost funds ($270,000 U.S.) to the donor, the Canadian International Development Agency.

What had gone wrong? MEDA blamed the following factors: too rapid growth, insufficient oversight compounded by distance management, inadequate information systems, and lack of adherence to the defined lending methodology. In response to the high demand for credit and apparent high repayment rates, MEDA had allowed an unprecedented growth rate without its usual level of internal control measures and reporting requirements. Although good procedures and accountability systems were in place, they apparently had not been followed with complete vigilance. The combination of a corrupt director and distance management had created a fertile environment for fraud.

Among the changes implemented were tighter adherence to lending methodology (no checks written to cash, payments only to the cashier, complete documentation of clients), regular internal and external audits, a revamped client tracking database, spot checks with clients, regular reconciliations of portfolio records with the accounting system, and increased accountability of loan officers for the performance of their portfolios. These measures resulted in slower but better managed growth.

Today the program is regarded as an African success story. “All the hard work by our various levels of staff rescued this program from disaster, completely turned it around, and helped it become a credit to MEDA,” said Allan Sauder. “Thanks to them, we now have a reputation in the development community as an organization that doesn’t flinch at obstacles but sticks with it.”

**Zimbabwe**

In 1995 MEDA established a micro-enterprise venture in Zimbabwe, working in an area south of Bulawayo and building on connections through Brethren in Christ
churches. The initial phase called for assisting 120 clients, creating 40 new jobs and sustaining more than a hundred jobs in the process.

MEDA formed a new agency called Phakama, which means "stand up" or "arise" in the Ndebele language, as Jesus said to the lame man, "Arise, and walk."

MEDA committed itself to provide $30,000 for Phakama's first year of operation and up to $25,000 for the first year's loan capital. Application was made to the U.S. Agency for International Development for additional funds. The four-year goal was to have 3,000 active clients and an annual loan volume of $1.8 million.

The members and board of the new organization were all from the Christian business community, including a banker, church elder, a lawyer, a bishop and an accountant.

Performance has been hampered by internal problems, lack of clarity over the role of the local church structure, huge devaluation of Zimbabwe's currency, and continuing political unrest.

The program is now fully operated by Phakama. With 720 loan clients and nine staff, it is still fairly small but has recorded a small profit in each of the last two years.

Mozambique

MEDA began work in Mozambique — then called the world's poorest nation — in the summer of 1996. Plans were to assist 240 clients in the first year. The start-up phase was supported by a contract with CIDA, aug-
mented two years later by a $50,000 contribution from Australia's aid agency.

The Mozambique economy was beginning to take off after years of revolution and economic malaise. But with a long history of state control, business tradition was slow to emerge in some sectors.

"The regulatory environment for our kind of programming is still brand new, and the country is still weak in terms of infrastructure," said Allan Sauder, then head of MEDA's International Economic Development division.

MEDA's main work was in the Xikelene Market, a sea of shacks and shops on the northern outskirts of Maputo, the capital. More than 4,000 vendors sold everything from produce to hardware. Most of the wares were imported from South Africa. Mozambique, only recently free of its Portuguese colonizers, didn't produce much in the way of consumer goods. It was just starting to grow its own commodities, like rice, peanuts and maize.

The Maputo program, called Kulane, operated very much like other micro-enterprise programs in the MEDA system. The average loan to a client was $250, though some were as low as $90. Generally, loans were made to small groups of people who helped keep each other accountable for repayment. A typical loan was for 16 weeks, with payments required weekly. Clients paid directly into MEDA's account and brought in deposit slips to show they had paid.

By late 2003, Mozambique was one of two remaining countries where MEDA directly operated a micro-enterprise program (the other being Haiti). By now the industry had changed. Thanks to the efforts of MEDA and others, the micro-enterprise industry had burgeoned to where many agencies were offering such services, and programs needed to be much larger to function efficiently. As MEDA entered its second half-century, it was looking for a local partner to run or buy the Mozambique program.

**Romania**

In 1997 Christopher Shore, MEDA's Moscow-based regional manager for Eastern Europe, moved to the Romanian capital of Bucharest to extend MEDA's micro-enterprise expertise to the country's newly-liberalized economy. He was well familiar with Romania, having lived there from 1982-85 while working for the Navigators.

Shore's task was to help World Vision expand a regional credit program that he had worked on earlier. During his time with MEDA in Moscow, he had served as a consultant to World Vision as it designed and set up the program, and maintained contact as a monitor. They now wanted him to help them establish a national program of micro-lending.

By European standards Romania was very poor. But its village system hadn't been destroyed by the Communists, as in Russia, so there were a lot of micro-enterprises like bakers, woodworkers and furniture manufacturers.

The program, called Creditele Asistente Pregătire Afaceri (CAPA), operated much like other micro-enterprise programs, but offered larger loans than some of the programs in Africa and Central America. Its clients included machine shops, auto parts distributors, taxi companies, convenience stores, even a dentist.

CAPA got off to a quick start. In its first three years it made 575 loans worth $3.7 million to more than 350 businesses that provided employment to more than 2,700 people. Today, with offices in four locations, CAPA is the leading microfinance institution in Romania, serving some 2,000 clients with a portfolio of $5 million, and the potential to double that.

**How we became bankers**

The litmus test of any MEDA program is sustainability, achieved when a program matures and "graduates" to indigenous ownership or is otherwise embedded in the local economy. In Zimbabwe, Phakama graduated to full ownership by the local company that was designed to become its eventual owner. In Bolivia, PRISMA was absorbed by the local partner, the San Luis Cooperative. In Haiti, Nicaragua and Tanzania the programs have grown into new financial services entities.

**Haiti - SHEC**

In 1991 renegade soldiers ousted populist president Jean-Bertrand Aristide midway through his elected term. North America and the Organization of American States (OAS) reacted with an embargo that paralyzed the country's economy. The Canadian International Development Agency (CIDA), a prime funder of MEDA's work, suspended aid to Haiti. MEDA's credit program was shut down.

Some feared the loan portfolio would vanish. It didn't. Though the MEDA office was closed and only a skeleton staff remained, clients still showed up at the door to make loan payments.
They were asked, “Why would you want to repay when you don’t have to?”
They answered, “So the service can continue.”
More than two-thirds of the clients came back on their own. The people wanted the institution to survive.
The turmoil of the embargo showed how vulnerable the credit facility was to international funding. It became clear that an indigenous institution might circumvent such obstacles. And if it were organized as an actual credit union it could add savings and deposit services for the poor.
SHEC (Société Haïtienne d’Epargne et de Credit) was thus launched as a bona fide credit union in 1994. It purchased MEDA’s credit assets for $200,000 on a pay-as-you-go basis. Former staff Jean-Marie Innocent became the director. MEDA stepped into the background as an advisor.
Within a year SHEC’s equity had tripled. Membership soared to 4,000; savings grew to $795,000.
SHEC became the largest credit union in Haiti, much to the chagrin of banks who saw the upstart institution absorbing savings they felt should be theirs.
By 1998 SHEC had made a phenomenal jump from the original $200,000 to $4 million in assets, $3 million of which was savings and deposits by members. It had achieved a scale and level of sustainability to make it a permanent part of the landscape.

Nicaragua—CHISPA

Through SHEC, MEDA had dipped a toe into the realm of banking. Six years later MEDA went a step further by growing its CHISPA program into a microfinance bank in Nicaragua.

On July 1, 2000, following months of intense negotiation, the CONFIA bank was created, approved by Nicaragua’s Superintendent of Financial Institutions. It was to be owned by a consortium of local and international investors, including MEDA’s Sarona Global Investment Fund. Chair of the board was Octavio Cortes, MEDA’s country manager in Nicaragua.

While MEDA relinquished some control in the transaction, it was felt that the new institution would carry MEDA’s development philosophy to new heights. “By growing into an actual bank, subject to the same public rigor and scrutiny that other lending agencies face, we were entrenching our commitment into the normal economy of Nicaragua,” said Gerhard Pries, MEDA’s chief financial officer and manager of the Sarona Fund.

CONFIA planned to offer all the micro-enterprise features formerly offered by CHISPA, plus a range of new services like deposits, home mortgages and international wire transfers.

Unfortunately, CONFIA had been born into a climate of countrywide turbulence. Soon after it started, Nicaragua’s Superintendent of Financial Institutions closed down five of the 12 major banks due to poor management, bad loans and a tough agricultural economy. Shaken depositors withdrew a lot of money from banks and moved it out of the country. This, together with low agricultural commodity prices, left the whole country in a tight liquidity position.
CONFIA weathered the storm thanks to its excellent management and investor support. Its international backing (from Sarona and two investment funds based in Costa Rica and Germany) strengthened public perception of its stability.

In time, MEDA's foray into regulated banking brought it to a fork in the road. The time came to either get big or get out.

Even with new partners, scope became an issue. MEDA did not have the financial or human resources to develop a family of banks in different countries, which it felt was necessary to serve effectively. Some in MEDA's leadership were eager to try, but it was finally concluded that MEDA was not ready to take such a big step.

In November 2002 MEDA sold its CONFIA interest to a consortium partner, a German company with a reputation for efficient bank operation in Latin America, Africa and Eastern Europe.

"Up until now we have been involved in starting microfinance institutions and in helping such institutions improve their services," said Pries. "Generally when we've started one we've spun it off when it reached sustainability and then let somebody else run it. This has happened with SHEC in Haiti and PRISMA in Bolivia. CONFIA is as far as we've ever taken a microfinance institution ourselves and there was an option for us to take it over completely. But after examining all factors we decided that we had taken this one as far as we could and that we should hand it over to someone else who has the financial and management capacity to run it very well so they could continue to provide the best financial services to the poor."

**Tanzania – Huduma**

By the time the Tanzania microfinance venture had survived the devastation of fraud and had blossomed into a success, the economic climate had changed. New developments in the small business sector demanded an enormous increase in scale. Clients began to need a wider range of services, like savings accounts, wire transfers and multi-service branches. The opportunity arose to embed the program in the country's new National Microfinance Bank. Such a repositioning seemed the best way to keep meeting the needs of Tanzania's micro-entrepreneurs and to expand the impact of a program in which MEDA had invested much.

The rise of the National Microfinance Bank, which became the new home of MEDA's venture, represented a gigantic shift of attitude at the government level. It came into being in 2000 when a major financial institution restructured and split off a division devoted to microfinance. It grew swiftly, and soon had more than a hundred branches across the country.

When MEDA began its microfinance program, the needs of small clients weren't even a blip on the radar screens of the banking industry. But interest was piqued by the performance of programs like MEDA's and other agencies like World Vision and Opportunity International.

"Before, banks weren't interested in this sector," said Neil Janzen. "I think the industry has caught on that the poor are in fact bankable. Banks have realized that they can provide the people with loans, get repaid, and actually make money with it."

MEDA's decision to transfer its program to the NMB
was not a capitulation in the face of competition, said Janzen, but rather an opportunity to gain scale and synergy and improve the long-term prospects for the small business sector.

Other pressing factors weighed in as well. Donor dollars for revolving loan funds were drying up. Agencies (like CIDA) increasingly wanted to put their money into national indigenous organizations, and despite MEDA’s growth, “we weren’t quite that,” Janzen said. “To provide a full range of services to clients we needed to provide savings opportunities, and we couldn’t do that. We weren’t allowed to take deposits. In order to do so we would have to become large and become regulated, and the National Microfinance Bank was already that. There wouldn’t be any reason for the government to formalize another bank.”

MEDA and Huduma began transferring their operations to the NMB in July of 2002, with final details wrapped up by the end of the year.

The transfer was expected to benefit clients by offering cheaper loans at lower interest rates; more flexibility in repayment locations; interest on savings accounts; and access to NMB banking services, including secure savings products, a national network of 107 branches, and a national bank transfer network. The latter was especially important, as this was how people sent money to their relatives in the hinterlands.

Ed Epp, then director of operations, said, “I believe that this program will go down in MEDA history as one of our toughest, yet most satisfactory, efforts. Historical perspective will only make our final results there look better and speak well to the culture of MEDA that does not quit but perseveres on behalf of the poor.”

**Investing with CARE**

MEDA’s involvement in providing high-level financial services to the microfinance industry reached new, more sophisticated heights. In 2003 MEDA formed an investment alliance with CARE, one of North America’s largest international development agencies, to further expand the microcredit reach. The two organizations, along with the Seed Capital Development Fund, formed MicroVest, a new fund to access millions of dollars for investment in the global microfinance sector.

“The management costs of running a small fund are extremely high,” said Gerhard Pries. “So what we’ve done here is entered into a strategic alliance with a partner to give us a scale much beyond what we could do on our own.”

In the world of non-profit organizations, he said, “everybody likes to do it on their own, but it’s important.
to not just build our own empire. We think that partnerships, joint ventures and strategic alliances enable us to do much more to achieve our objective of serving the poor. Together we want to introduce a lot of new investors to the potential of microfinance."

According to industry estimates, only five percent of the microfinance market was being reached by 2003. Studies showed that small business provided 60 to 75 percent of the employment in developing economies.

By the end of MEDA's first 50 years, its micro-enterprise work was reaching ever-higher levels. It was deeply involved in supporting micro-enterprise at the financial institution level, and through a variety of consulting activities. Its direct delivery involvement had changed. It still worked with rural credit in Haiti, Nicaragua and, more recently, Peru. It had not divested itself of a small program in Mozambique.

Popular lore attributes the rise of micro-enterprise development to Mohammed Yunus and the Grameen Bank he established in Bangladesh in 1976. The actual concept, however, predates Yunus. While MEDA is sometimes thought of as applying and extending the Yunus idea, MEDA was more of a pioneer than is often recognized. Yunus may have popularized the concept, and deserves credit for giving it global visibility, but MEDA was working in credit before the Grameen Bank came into being.

MEDA has been active on the larger world stage. Ken Graber, as a representative of MEDA, was one of the founders in the early 1980s of SEEP (Small Enterprise Education and Promotion), the North American microfinance network that trains and mentors agencies around the world.

"I got involved when micro-enterprise was young; we had maybe six or eight members at the time," says Graber.

Today SEEP has 54 organizational members in the U.S. and Canada.

Other MEDA staff have been involved over the years. Current MEDA president Allan Sauder served for a time on the SEEP board.

The Micro Credit Summit, a triennial global micro-enterprise assembly, lists some 1,200 programs in its directory. MEDA staff presented a number of technical workshops at the most recent Summit.

Graber notes that the small business loan concept goes way back to the 1960s, though practitioners weren't using what today is known as "sound practices." In the 1970s MEDA's credit efforts were still mostly rural and agriculturally oriented, which by some definitions wasn't strictly speaking micro-enterprise.

But even back then, before the concept had been honed, MEDA was looking at credit as more than simply giving out loans. There was an early emphasis on institution-building and other features that would become known as sound practices. One such feature was to charge market rates of interest, rather than providing subsidized interest (on the old charity model).

"We now use language like sustainability, which is all part of the same flow," says Graber. "It's all part of what we call sound practices."

And, he notes, MEDA was doing it well before it came into vogue internationally.◆
A boost for perestroika

It was a high-risk venture, but the new openness in the Soviet Union was hard to resist. Could Mennonites return and make a difference in a country that had treated their forebears so brutally?

As the 1980s drew to a close, Westerners were dismayed by the seismic geopolitical shifts in their former nemesis, the Soviet Union. Mennonites, many of whom still had emotional and familial linkages, listened in awe to new words like glasnost and perestroika.

Some, like Arthur DeFehr, a furniture manufacturer in Winnipeg, pushed immediately for western involvement. He explored with senior Soviet officials a vision for what he called “emotional investment” — investment for reasons other than only personal profit. He tested the idea with Neil Janzen, president of MEDA, and Harry Giesbrecht, a builder who had recently landed a multi-million dollar contract to complete a 300-room hotel in Leningrad.

In the summer of 1989 DeFehr, Janzen and other MEDA members took a journey of exploration, not unlike the “flying missions” that spawned the establishment of MEDA in the early 1950s. They found great openness to the idea of a business-faith connection. Said one Russian church leader, “We have been told for 70 years that business is evil. Now we are permitted to go into business. Show us how to do this without losing our souls.”

An emerging response began to take shape. The goals would be: to help the church in the U.S.S.R., especially in regards to a business-faith connection;
Winnipeg businessman Arthur DeFehr was the key promoter of “emotional investment” in the former Soviet Union. Here, gesturing to a portrait of Karl Marx behind him, he speaks to the 1990 business-faith conference he helped organize. Translating for him at right was Johannes Dyck, a former Soviet citizen employed part-time by MEDA.

On his early trips to Russia MEDA president Neil Janzen, sporting the garb of the moment and holding one of the new Russian Christian newspapers, sensed great openness to a business-faith connection.

MEDA chose to WORK with Logos, a West German mission, and contracted the services of one of its staff members, Johannes Dyck, to produce educational materials on the role of Christians in business. Articles from The Marketplace were translated and reprinted in Russian religious periodicals. MEDA obtained permission to translate and publish a Russian version of the Myron Rush book, Management: A Biblical Approach.

Dyck and Logos helped organize a faith/business conference to inaugurate MEDA’s new thrust. Held March 2-4, 1990 in Kiev, it drew some 165 Christians who were involved in “cooperatives,” the Soviet term for private businesses.

Only a few years earlier such an event would not have been possible, said one organizer. “It was impossible to get together even last year. We could have been prosecuted.”

It was estimated that of the 50,000 cooperatives that had flowered since perestroika removed the ban on private business, 700 were operated by believers. Those who attended the Kiev conference came from 40 different cities in seven of
the country's 15 republics. They represented some 60 cooperatives, many involved in producing building materials.

Most of those present were Baptists, with some Pentecostals and only a handful of Mennonites. Many Mennonites, to whom MEDA's efforts initially had been targeted, were at home "sitting on their suitcases" (waiting to emigrate). With their ethnic German background, they found it easier than most Soviet citizens to leave, and huge numbers were doing so.

The initial purpose of the conference was to talk about Christian business ethics, which had surfaced as an urgent concern among would-be Christian entrepreneurs. But by now the entrepreneurs seemed more interested in developing financial and technological links. Said one visitor, "If you could identify one thing from the conference, it was a craving for connections with the West."

In the meantime, MEDA, while providing ongoing support to ACB, took steps to formalize what appeared to be growing international support beyond the Mennonite constituency. By fall of 1990 it had formed a new Western-based business agency to help North Americans connect with Christian entrepreneurs in the Soviet Union. Called the Soviet Union Network (SUN), the new agency aimed to provide a mechanism for Christian businesspeople in Canada and the United States to assist their counterparts in the U.S.S.R. with joint commercial ventures, technology transfer and encouragement in business ethics.

"There is a need to provide models of entrepreneurship and, more specifically, entrepreneurship which has a strong ethical core," said Neil Janzen. "MEDA is uniquely positioned to assist the emerging private sector of Christian entrepreneurs in the Soviet Union."

Arthur DeFehr, who had been the main push behind increased East-West business contacts, said SUN had a role in the larger program of Soviet reforms. "If the economy doesn't begin to deliver, the reforms of Gorbachev will fail," he said.

SUN hired Christopher Shore, a young marketing consultant and MBA graduate with family roots in Russia and previous experience in Eastern Europe. He set to work facilitating a range of East-West contacts, and became adept at discerning appropriate connections.

In 1992 MEDA tested the waters by offering training courses with the ACB on various aspects of small business creation and management. The response was staggering. Russians (and Ukrainians and Latvians, as they became with the demise of the Soviet Union) wanted to learn how to start and run their own businesses.

It gradually became clear that other Western Christian groups were not as interested in a long-term involvement as had been previously thought. Nor was there as great a need to forge linkages as had been envisioned. Those who wanted East-West connections managed to make them on their own. Those with lasting interest tended to be Mennonites who were already related through the MEDA...
connection. The SUN mechanism was eventually dismantled and MEDA pressed on alone.

"We have been told for 70 years that business is evil. Now we are permitted to go into business. Show us how to do this without losing our souls."

of starting and managing a new business in Russia. They ran for three days and targeted those who were most apt to be the new entrepreneurs of Russia — those under 40, urban, and better educated.

Skills Upgrading Seminars, where MEDA members played a crucial role of being the Western practitioners and instructors, aimed to upgrade the business and vocational skills of businesspeople in specific industries.

Over the next few years seminars were offered in numerous areas — from the hospitality and travel to the automotive, credit and retail industries. MEDA members from across North America came out to offer hands-on training, receiving in the process an invaluable cross-cultural and geopolitical exposure.

The ACB's director, Alexander Zaichenko, said the practical approach was exactly what Russia needed. "We don't need vague lectures on a system we do not yet have," he said. "We need help at the grassroots level."

Visible ground-floor progress continued to provide a sense of purpose as MEDA and ACB staff battled disillusionment at the macro level. By 1997 there was no functioning law on bankruptcy and personal ownership of land was not yet a right.

"We are in a netherworld between the old system and the new," said Shore.

Corruption had increased massively. "As the old order crumbles, individuals are desperately grabbing whatever they can get," he said. "Fraudulent transfers of assets by state companies to private shell companies are common. Billions of dollars are being taken out of Russia illegally."

Nonetheless, there was reason for hope. "The real change is being authored and pushed by the grassroots," Shore said. "More and more people are getting out to hustle, learn and take the opportunity to meet real needs. Looking at this in terms of where MEDA hopes to make a difference — entry level programs and programs for practitioners — I can only conclude that all our upfront design time has been well spent. In terms of helping the Russian people very practically, we are extremely well positioned."

The ACB's inroads into the realm of personal spiritual formation were encouraging. Many Russians were no strangers to Christianity but after so many years of being forced underground it was a novel concept to unabashedly bring faith into the public arena. Zaichenko, an economist who had studied Max Weber's theories on the relationship of Protestantism and commerce, believed there would be no lasting public transformation without robust personal spirituality. He worked feverishly to promote local "clubs" where Russians could band together to talk about their faith and, in the process, combat the grab-and-run mentality that was sapping moral energy from the new Russia. He made no bones about the clubs' dual purpose: promote moral transformation in business, and win converts for Jesus Christ.

Eventually there would be more than a dozen of Zaichenko's clubs, most in Moscow, some in outlying cities.

In 1994 MEDA sought funding for more services to small business. The Canadian government,
which saw this sector as vital to Russia's long-range stability, awarded MEDA a $3.8 million grant to develop a business incubator, training and credit program in the Moscow suburb of Zelenograd.

Russia became a place that, unlike any other, brought to bear both sides of MEDA's mission. Few other fields of work had provided an opportunity to apply the "seamless garment" of MEDA's integrating mission of faith, business and development. While Zaichenko and the ACB were working explicitly at spiritual formation and ethics, MEDA's development and micro-enterprise expertise was being put to work in a manner that was more consciously theological than most of MEDA's programs.

Shore saw the micro-enterprise venture in terms of the biblical Year of Jubilee as outlined in Leviticus 25 and Deuteronomy 15. "These are people who had control over their economic lives removed from them," he said. "In a very real way we're seeking to 'return the land' to the people and to help them regain control of their lives economically. And we're trying to do it in a way that reflects the reality of the gospel in our lives."

MEDA's vehicle for this micro-enterprise Jubilee was a new entity called Sozidaniye (Russian for "creation"), the first foreign-established foundation in the former Soviet Union. It became a natural follow-up to the training seminars MEDA had offered with the ACB. Shore saw that training and know-how were no longer the issues most constraining growth and development. Needed now was something more basic — a place to work. Although Russia was littered with huge state organizations, their enormous physical assets had never been broken up. With many plants idle there was abundant raw space, but not in the configurations or terms suitable for small business.

Sozidaniye obtained a piece of factory space in Zelenograd, about 25 miles out of Moscow. This suburb city of 250,000 people had been a Soviet Silicon Valley with plenty of high-tech industries. The building chosen by Sozidaniye was a former "secret factory" where strategic defense components had been produced.

Sozidaniye subdivided the 18,000 square-foot facility into offices and production space for start-up businesses. It offered centralized services like fax, photocopying and e-mail, though the tenants seemed most excited about having a reliable landlord who would stick to a contract and not raise the rent at whim. The first tenant was Mikhail Serebryani, a fledgling Russian baker who had just invested in a new oven but needed help selling his bread. His company, Galer Bakery, was barred from regular walk-in stores which were dominated by state-owned factories. He needed a new way to get bread to the distribution points while it was still hot.

Serebryani requested a loan of $20,000 to buy used delivery vehicles and mobile kiosks. Sozidaniye set up a sale-leaseback arrangement. As a result Galer was able to purchase two delivery vehicles instead of one, four mobile trailer/kiosks instead of two, and grain for the winter.

Within a short time Galer's payroll doubled as 20 new employees were added. By 1997 the bakery was working around the clock to produce 17 different bread products. Staff had soared to 90.

Serebryani liked the incubator's friendly atmosphere. "And it's helpful to have access to other services in the building, like accounting and building companies," he said.

Not all new firms took off like Galer, but the bakery illustrated the enormous potential for small business in Russia.

Any small business was eligible for the incubator as long as it was locally owned, benefited the local economy, and was not involved in unethical enterprises. Most of the
time it was full, with 17 clients and a waiting list.

Clients also benefited from the basic business training offered by Sozidaniye. Many needed help to learn how to develop a business plan.

“We don’t need vague lectures on a system we do not yet have,” he said. “We need help at the grassroots level.”

Sozidaniye client required a loan of about $9,000, usually for working capital. While credit was available through Russian banks, collateral requirements were high and terms were short. Larisa Pushkina, a producer of mayonnaise, said the bank would lend her money for only three months, renewable to six. That wasn’t long enough.

Doing retail business meant doing business with the mafia. Start a new business, and soon someone would come around to offer “protection,” or a “roof” in Russian slang. It was an offer that was hard to refuse.

Prospective Sozidaniye clients were routinely asked, before they got credit, about their relationships “on the street.” Payoffs weren’t encouraged, but they were an embedded fact of life. “If clients haven’t factored in their monthly protection payment, say $500, then we know their figures are too optimistic,” said one Sozidaniye staffer.

As in the West, small business was a tremendous engine of job creation. Clients associated with Sozidaniye saw their total employees grow from 330 to 460 in the first year.

“For a long time only the Christian organizations emphasized working with the small business sector,” said Shore at the time. “We were lone voices in the wilderness calling for people to work in this area. Governments weren’t interested. The World Bank wasn’t interested. We were the only ones saying this is important to do. Now others are joining, but the MEDA program continues to be a model for Russia and for small business.”

In 1997 Sozidaniye received a formal request from the City of Moscow to help establish another much-larger incubator adjacent to the original site. “This shows that at least one of the things MEDA has set out to do here in Russia has been accomplished,” said Shore. “We have developed a model of small business support, and

Pavel Lomonossov, who produced custom draperies, appreciated the convenient space and reasonable rent. Added Larisa Pushkina, who employed nine people in the manufacture of mayonnaise, “It’s a safe place.”
people have seen that it works."

Eventually, however, the rising tide of corruption became too much for MEDA. Shore ran afoul of the new "tax police," a freebooting agency that emerged out of the ambiguous soil of the new market economy. Unable or unwilling to grasp that MEDA's Russian operation made no profit, the tax police gave notice that they intended to levy crippling fines and taxes on the capital injections that funded Sozidaniye.

Shore encountered no end of grief and at points felt personally threatened. As tensions rose, he took to carrying his passport and an open airline ticket with him at all times. His wife, Susan, went nowhere without a passport for herself and their two young children.

In 1997 Shore left Russia and moved to Romania to work in an emerging MEDA/World Vision micro-enterprise partnership.

MEDA's direct involvement in Sozidaniye drew to a close the next year. Today, Sozidaniye exists as an indigenous agency operated by local authorities who are charged with "spreading the word" about the importance of the small business sector. MEDA no longer has a financial stake, but until 2000 occupied a seat on its board of directors.

By then there were an estimated 890,000 small businesses in the Russian federation, employing some six million workers with another eight million employed in the informal sector.

Despite difficulties along the way, which MEDA has come to expect when it takes the risk of working in areas of desperate economic need and instability, an important legacy had been left in the aggressive promotional work of two indigenous agencies MEDA helped create. MEDA had made an impact in entrenching the philosophy of small business development in the Russian system.

The ACB, meanwhile, continued to operate in ever-expanding circles. The focus of its clubs broadened to family evangelism. MEDA's financial support gradually phased out, as planned, and new agencies became part of the funding base.

On a spring day in 2002, two former MEDA staffers on opposite corners of North America were startled by a news report from the Moscow Times, sent to them by former colleague Neil Lessman. Christopher Shore in Los Angeles, and Ron Braun in Waterloo, Ont., both recognized a Russian name in an article bearing a Moscow dateline. It was the name of a civic official with whom they'd had unpleasant dealings. Both Braun and Shore had sat in the man's office as he pressured them without success to turn Sozidaniye and all its assets over to him. Shore believes he then sicced the tax police, who finally hounded MEDA out of Russia.

The news account was enough to make the blood run cold. The man had been assassinated, gunned down in broad daylight in front of his apartment building, apparently by people who were not willing to turn the other cheek and walk away.
Alphabet soup and the "new" MEDA

Mergers augment a Christian witness in business

No one has done more to bring the Mennonite church and business communities closer together than Calvin Redekop, sociologist and writer in Harrisonburg, Virginia. He pioneered work in this field back in the early 1960s, and later was pivotal in the formation of CIBA and its subsequent mergers into MIBA and MEDA. Redekop has also been the premier chronicler of the MEDA story, having founded the initial CIBA Newsletter and later The Marketplace, which he edited until 1985. At MEDA's request, he recently wrote an extensive document analyzing the streams flowing into the CIBA/MIBA/MEDA merger. Titled "The CIBA-MIBA-MEDA births, mergers and the emergence of the 'new' MEDA," it will be published in its entirety in a forthcoming book on MEDA's history. The following is adapted from Redekop's paper.

Dramatic social, political and cultural changes swept North America in the 1960s and into the turbulent 1970s. The civil rights movement of the 60s contributed to the unrest, but it was especially exacerbated by the Vietnam war because of the suspicion that the business-industrial world especially in the United States had a self-interest in the move to fight communism half-way around the globe. The Mennonite world was not untouched. There were marches and sit-ins at Mennonite institutions. Among the concerns students raised was an assumed alignment of many Mennonite businesses, corporations and even educational institutions with the "establishment," and a sense that corporate self-interest was increasing profits at the expense of social concerns and obligations.

Calvin Redekop had a deep-rooted interest in bringing church, industry and business together. As a young scholar at Earlham College in Richmond, Ind., he developed a Community Service Internship program to introduce seminary students to the world of work and business and to integrate that life into the seminary curriculum. He also directed conferences such as The Church in an Industrial floor" with their theological and sociological studies.

It was felt that Mennonite business and industry leaders would also benefit from this type of discussion. In 1968 Redekop suggested to AMBS dean Ross Bender and Goshen College president Paul Mininger that leading Mennonite industrialists be called together to explore the idea of a Mennonite Institute for Church and Industry. Key businesspeople supported the plan; maintaining that "the growing rift between the colleges and businesspeople needs to be healed."

Redekop was asked to write a document that became a working plan for a "Church, Business and Industry Association." Businesspeople from across the country were invited for further discussion, and in 1969 the Church, Industry and Business Association (CIBA) was launched in society (1964). Shortly thereafter he brought these interests with him to Goshen College and Associated Mennonite Biblical Seminaries.

In 1967 he gained the support of local businesspeople to launch a program called Supervised Experience in Industry to "help seminary students become aware of the nature and problems of industrial society." Students were assigned to a number of industries in the Elkhart area and were guided in a course with the same name to integrate what they were experiencing "on the
Chicago with 90 Christian businessmen present. The purpose was to help people in business to express their Christian witness and ethical concern and help others see the potential for Christian witness in industry and business. Also attending were professors from business and other departments from Bethel, Bluffton, Fresno Pacific and Goshen colleges.

When news of the proposed constitutional meeting became known, there were rumors that the organization was going to be obstructed by a sit-in of Goshen and Bluffton College students. A group of around 20 students did indeed show up, attended sessions, challenged statements during the meetings and protested in the hallways, but there was no serious confrontation. In fact, many of the students met in small groups with businesspeople who invited them for lunch, and who surprised the students by their willingness to listen to student concerns about "selling out" to the establishment and business bottom-line culture.

The first members of the board of directors were: Frank Ulrich, president; Carl Kreider, vice- president; Ted E. Claassen, secretary-treasurer; Ross Bender; A.A. DeFehr; Peter Enns; Robert Gortwals; Ivan M. Martin; Stanley Pankratz; Erie J. Sauder; Lewis Strite; and Allen Yoder, Jr.

CIBA, with its office at Goshen College, began to conduct regional seminars and meetings. In 1970 it began to publish a quarterly CIBA Newsletter edited by executive director Calvin Redekop.

There were rumors that students planned to obstruct the CIBA meeting. Some showed up, attended sessions, challenged statements and protested in the hallways, but there was no serious confrontation.

CIBA had not been in operation long before a group in the eastern U.S. began planning another business organization. Its impetus came from the Laurelville Church Center, Mt. Pleasant, Pa., which had been conducting various weekend conferences, including seminars for farmers and businesspeople, under the aggressive and visionary director, Arnold Cressman. In the fall of 1971 Cressman, evidently not totally satisfied with the CIBA program, approached John Bontrager, chair of Laurelville, about setting up yet another organization for businesspeople.

In early 1972 Cressman reported that "MBA are the initials suggested for the new organization to be launched by Laurelville. It stands for Mennonite Business Associates." Soon there was a budget, proposed letterhead, by-laws and a general plan of action.

MBA's goals included "exchange of opinions of ethics; cross-fertilization of ideas; all disciplines would be involved (law, medicine), anyone who has employees under them." It claimed it would not be offering the same services as CIBA. It would be lodged at Laurelville and would utilize Laurelville personnel.

Why did some feel it necessary to start a new group? For one thing, some felt CIBA was dominated by large businesses, to the exclusion of Mom & Pop business owners. For another, some saw CIBA's close ties with the colleges as a drawback.

In 1972 Cressman wrote to Bontrager: "CIBA, whether it likes it or not, has a big-business image. It will be difficult for them to unwind that, both because of the way CIBA started and because of who is running CIBA now. CIBA is closely related to the church establishment.
By 1978 the business directory started by MBA reached its third edition, listing 7,500 Mennonites in business and the professions.

They started by going to the Seminary and the College. In fact the Seminary and College helped them to write their original purposes. This makes CIBA an ‘establishment’ organization from the beginning and no amount of restatement of purposes, of finding a new address, or getting a separate charter will change this....

"Perhaps it is O.K. for CIBA to have an establishment-image. I'm only saying that this further demonstrates the need of a grass-roots organization somewhere else."

MBA's general objective was to "provide Christian fellowship, stimulate Christian witness in their respective businesses, encourage Christian ethics in their business, and to compile and publish a Directory of Mennonite Business and Professional People."

The CIBA board and staff were puzzled. Redekop wrote to J.J. Hostetler, executive director of MBA, seeking clarity. He wondered about “duplication and possibly competition. It is my concern that the Mennonite brotherhood has enough forces that are tending to fracture and fragment it; we need to work toward unity and common cause.”

Planning for the launching of MBA proceeded. A Constitutional Convention was held in summer, 1973 at Laurelville Church Center and a constitution was prepared to be adopted. MBA aimed for a much broader membership than CIBA, ranging from investors and developers to artists, nurses, teachers, physicians and camp directors. Its first convention was held at Laurelville Oct. 18-20, 1974.

CIBA, meanwhile, continued and expanded its own operations. Numerous seminars were conducted in many of the Mennonite communities with larger populations, but especially in conjunction with Mennonite colleges and at least one seminar was co-sponsored by each college, several conducting as many as three. Annual meetings were conducted in larger population centers to allow easier travel by train and plane. The second and third annual meetings were held in Chicago at the Conrad Hilton Hotel.

As was noted above, during the years of independent and somewhat parallel operations, it became clear that both organizations were basically concerned with the same vision and objectives though the ideas of the nature
of the membership differed somewhat.

MEDA (the original MEDA) was deeply interested in CIBA and the newer MBA, since many of the members of both also were supporters of MEDA, and there was concern of overlapping and competition for membership and support. MEDA didn’t wait long to suggest the three organizations work together.

In late 1974 MEDA invited CIBA and MBA officers to have their respective boards meet at the Pittsburgh Airport on Dec. 4 and then meet with MEDA. A total of 38 board members attended, including several interested church leaders. MEDA chair Milo Shantz said “the purpose of the meeting was to help each of us get better acquainted with each other as Christian businessmen and learn what we want to do through the organizations we represent.” The following minutes from MBA reports are instructive: “The purpose of the meeting has been stated to provide the opportunity for a brainstorming session where representatives from the three organizations could explore ways we can work together to help each of us meet our objectives. Do we want to work together or can more be accomplished if we work independently? Several board members again reported that there were questions in various areas of the church concerning the need for three organizations of Mennonite business people.”

A few weeks later MEDA made another overture, inviting CIBA and MBA representatives to meet with MEDA officials at the Toronto airport to explore cooperating in MEDA’s 1975 annual meeting. No concrete actions were made, but the minutes state, “This meeting was helpful in clarifying our relationships and possibilities for cooperative efforts. Further contact will be made from time to time as opportunity affords itself.”

The momentum was increasing. The CIBA board of directors invited MEDA to hold its annual meeting for 1975 in conjunction with CIBA at the Broadview Hotel, in Wichita, which was accepted.

The CIBA board also invited MBA representatives to discuss future cooperation. As a result, CIBA and MBA agreed to cooperate in the publication of the CIBA Newsletter and the MBA business directory. Because the mood for merging of these two organizations was growing, a committee was appointed to prepare a proposal to merge the two organizations into a new organization that would be called Mennonite Industry and Business Associates (MIBA). This proposal was formally adopted at a meeting of both boards on Feb. 13-14, 1976, in Sarasota, Fla.

The new MIBA board, composed of equal board members from CIBA and MBA, consisted of H. Ralph Hernley, president, Art DeFehr, vice-president, Leroy Graber, David Leatherman, Charles H. Hoeflich, John Bontrager, Ura S. Gingerich, Dennis K. Langhofer, Joseph N. Weaver, Howard S. Cressman, Richard Schiedel, Maurice L. Stahly, and Rudolph Dyck. The purpose, unanimously adopted, was “to aid and
was still functioning closely, but separately. Most of the charter members of CIBA had been MEDA members and later became MIBA supporters. Ever since the formation of CIBA in 1969 MEDA officers had encouraged cooperation. Already in 1975 CIBA and MEDA held a joint annual meeting. In the September 1975 CIBA Newsletter the editor said, "Many persons feel that the objectives of the two organizations are sufficiently similar to warrant cooperation and joint meetings whenever possible."

The spirit of cooperation continued the following year, with MEDA and the new MIBA holding their 1976 meeting together.

MIBA was exhibiting considerable energy and activity by itself, but the spirit of unity and the desire to downplay duplication and competition continued to surface. An editorial in the January 1977 MIBA Newsletter quotes a businessman: "From a business point of view it makes a great deal more sense to merge than to operate separately."

Area meetings were conducted in Iowa, Michigan,
Arizona, California and Indiana between November 1976 and October 1977 combining MIBA and MEDA members. The annual meeting in Harrisonburg, Va., on Oct. 20-23, 1977 was for all practical purposes a joint MIBA and MEDA meeting as though they were one, for all sessions were designed for everyone. In her summary report Ellen Hartman noted, "Because many of the same people are involved in both MIBA and MEDA, it is a saving in both time and travel expenses to have a conjoint convention. There was dialogue about cooperating to a greater extent, for example, in the area of information services and publicity. Both MIBA and MEDA Boards of Directors met on Thursday afternoon and Friday forenoon [to discuss cooperation further]."

The work of MIBA was "on the grow," as J. J. Hostetler reported in the June 1979, MIBA Newsletter. "MIBA now has a mailing list of over 8,000 and a membership of 850 paid subscribers," he wrote.

Hostetler and Redekop had been serving as co-executive secretaries for several years as unpaid volunteers. MIBA felt the time had come to fill this position on a salaried basis. On July 1, 1979, Leonard Geiser (later to become professor of business at Goshen College) was appointed full-time executive director of MIBA.

The interest in merger continued, and hence the annual meeting in Lincoln, Neb., on Oct. 18-21, 1979 was designed to be the occasion to agree in principle on major issues dealing with merger of the two organizations. The MIBA membership was in favor, but the MEDA board and membership were not yet fully on board. MEDA's greatest concern was "the possibility of diluting our development
The two chairmen embrace to symbolize the new union: Milo Shantz (MEDA) at left, and Ralph Hernley (MIBA) at right.

objectives, and the possibility that with increased membership, members might not take their financial contribution responsibilities seriously."

After consultations between staffs of both boards, it was agreed to study the matter further.

Visiting journalist Wally Kroeker, covering the event for Meetinghouse, the Mennonite editors' group, described the "failed courtship." He wrote, "It was to have been a wedding, of sorts. The groom had proposed, the bride had consented, and the guests were gathered for the ceremony. But then the groom had second thoughts and said, 'Let's wait.' The two organizations [had] been courting for several years, holding their annual conventions together and collaborating on various ventures such as the MIBA/MEDA Newsletter."

Kroeker continued that "MEDA had initially broached the idea of marriage, but backed off — the problem in the view of many was money — the dowry wasn't big enough. MEDA, which has extensive overseas projects, requires heavy dues. MIBA meanwhile requires a minimum contribution of $25 a year, and a number of MEDA people wondered if a merged organization could come up with a dues structure to finance the overseas work without losing MIBA members who were accustomed to much lower fees."

Kroeker intimated that there was a hint of exclusivity involved, quoting one MEDA member — "I just approved a check to MEDA for $6,000. I don't want some guy who paid $25 making my decisions for me." Another stated, "Just when you get together enough money to join MEDA, they want to swing open the doors and let everybody in."

In March 1979, the MIBA Newsletter added the MEDA symbol to its masthead. "Today it functions as the official mouthpiece of MIBA and MEDA," wrote editor Cal Redekop. "The Newsletter is undergoing considerable change. The name will soon be changed to more clearly reflect the journal's purpose." Thus on March, 1980, the journal's name was changed to The Marketplace, but retained both the MIBA and MEDA symbols.

Those with reservations finally became convinced, and on Nov. 15, 1981, at the annual meeting in Lancaster, Pa., MIBA and the "old" MEDA relinquished their separate identities and became one. The convivial and collegial nature of the merger was depicted in a bear hug between Milo Shantz and Ralph Hernley, representing MEDA and MIBA, respectively. A new board of directors was chosen, representing equal members of the two organizations.

The name MEDA was retained "because of its long history (28 years) of service and its official registration in a number of foreign countries where their projects and services were operating." The United States and Canada were divided into MEDA regions, three in Canada and eight in the U.S. and one international. The MEDA and MIBA staff assignments were shifted, with Paul Derstine named executive director (later president) and Neil Janzen associate executive director (later vice-president). Calvin Redekop remained as editor of The Marketplace. Milo Shantz, head of the "old MEDA" board became president and H. Ralph Hernley the vice-president of the "new MEDA."

The mergers achieved their purposes, probably only in part. Informal conversations still reveal a few lingering doubts about whether every person's concerns and dreams were realized. The enduring desire to fashion a seamless garment of the business/faith/development connection provides a creative tension that will help define MEDA's ministry in the years ahead.
Executives at work

A brief history of the presidency

MEDA has not been big on titles. Getting the job done was more important.

In its early years, when all positions were unpaid, Ed Peters had the title of president. MEDA's first full-time paid staff was Lloyd Fisher (1969), who had the title of executive director. Upon his retirement MEDA decided that president was a preferred title for a business organization, and that title would eventually (but not immediately) be used.

The staff members in line for the top position — Paul Derstine and Neil Janzen — were both highly qualified. The board decided to hold an election. Derstine was chosen in a squeaker vote.

Derstine became president and Janzen vice-president. Derstine would carry some international assignments but would primarily look after domestic activities, such as recruiting more members and organizing chapters, while Janzen would direct most of MEDA's overseas development work. In time Derstine decided he was better suited to the overseas work. He asked if he and Janzen could trade positions.


Janzen clearly took the organization to new heights. He imposed the discipline of strategic thinking on the realm of development. He introduced the Annual Review and Plan of Operation (ARPO), which MEDA still uses to evaluate programs and plan for the future.

He was comfortable with the world of ideas. He encouraged seminal thinking and innovation, and "understood the tensile strength of these ideas," according to a former colleague.

"Neil clearly understood the MEDA mission," wrote longtime MEDA secretary Tom Jutzi after Janzen's announced departure. "Particularly challenging was the merger of MEDA and MIBA which brought together two distinct yet related focuses... Neil never lost sight of the central guiding principles behind MEDA. He took the core ideas and presided over their transformation into program."

Said one former staffer, "He was the rebar in this rapidly growing building."
was stable, not volatile. He allowed a lot of good things to happen and gave freedom to operate, even to make mistakes."

The next president was Lee Delp of Lansdale, Pa. Delp came to MEDA in early 1992 after a 20-year career with National Liberty Corporation, a multi-billion dollar insurance and financial services company, where he had most recently been senior vice-president.

By the time he assumed the position, the international work of MEDA was well in hand, and Delp was charged with bolstering the domestic side. He tackled this assignment with great vigor. He made a point of making contact with at least one MEDA member every day. He began to function informally, as a "pastor to businesspeople."

Delp was a great believer in the importance of every Christian in the work of God. "There is no appendix in the body of Christ," he said. "MEDA has an important responsibility to help us understand what it means to be faithful where God has put us. We're called to give ourselves as a living sacrifice, and that includes our professional and business life."

When Delp stepped down he was succeeded by Ben Sprunger, a former college president who owned his own consulting company. Sprunger also held firm convictions on the role of business in the larger purposes of God.

The gifts of innovation, employment and wealth creation needed to be encouraged and developed, he said.

"Employment forms a large part of one's sense of place and meaning in life," said Sprunger. "That means the ability to create employment — and employers — should be seen as a gift equal to the singer's voice or the artist's brush.

"If physicians bring aid in restoring health, if evangelism aids in spiritual wholeness, then employment brings enhanced self-worth and dignity and sustains survival. The work of MEDA may become the cutting edge of church witness and ministry in the 21st century."

Sprunger was a relentless MEDA cheerleader, "a true believer in the MEDA vision," as one staff member put it. "Ben was a firm believer in business, economic development and the church."

Sprunger served as president until 2002. He was succeeded by Allan Sauder, MEDA's executive vice-president. Sauder was a MEDA veteran who headed the Mbeya Oxenization Project in Tanzania from 1987-1990, later serving as MEDA's director of operations. Throughout his career he focused on finding innovative business solutions to poverty and became known in development circles as someone who could "put wheels on theories."

Sauder said he was committed to MEDA's work of providing meaningful livelihoods through the development of sustainable businesses, both through MEDA's programs and the businesses of its members. "We need to continue to challenge each other to serve the needs of the vulnerable and disadvantaged among us and throughout the world," he said. "Moreover, in a world of Enrons, WorldComs and other such blatant betrayals of trust, our role-modeling and witness as a Christian business association becomes even more important."

He said MEDA had a unique opportunity to participate in the global outreach of the church. "I believe we need to invite the best business resources that the church has to offer, and to use those talents to extend the reach of the church to all of the many places we work," said Sauder.
Like a church...

Partners in spiritual formation

Ever since merging with Mennonite Industry and Business Associates (MIBA) in 1981, MEDA has consciously included spiritual formation and fellowship in its mandate.

This role was especially important to business and professional people who felt marginalized by existing church structures. Many businessfolk complained that their congregations did not understand them, that their only apparent value to the church was to write checks. If they were asked to take a leadership role, it was likely to be on a finance or building committee. (This concern has been heard less frequently in recent years.)

For some members, MEDA involvement took up the slack, providing a valuable bridge between their faith and their work.

Longtime member Ervin Steinmann of New Hamburg, Ont., summed up some of the concerns felt by many businesspeople over the years. Speaking to a Mennonite business meeting in the early 1990s, Steinmann said MEDA and its related organizations had served a churchly function for him. Going into business “put me into a minority in my congregation, and I had a lot of difficulty discussing questions of business practice, or business ethics, with people in my congregation. I assumed, incorrectly I’m sure, that no one would understand my problems, needs or aspirations; that being in business was questionable; and that church was not the place to talk about business.”

He was immensely grateful that CIBA, MIBA and MEDA were there for me — particularly during my first 15 years in business. These organizations and the many persons I met during those years, became church for me.

Biblical ethics

A pillar of the MEDA message has been robust business ethics rooted in Scripture (though, to be sure, not every member absorbed or reflected the message equally). Other nuances were added over the years.

Persistent themes have been that business was a legitimate arena of mission, that all “regular work” could be seen through the lens of Christian discipleship, and that going into the “secular marketplace” did not make someone a “second-class citizen” in the kingdom of God. Monday-to-Friday discipleship was more than simply bringing God to the workplace; it was also recognizing that providing society with goods and services was part of God’s sustaining activity in the world.

MEDA has further promoted the following:

- Businesspeople are created in the image of God, who is introduced on the first page of the Bible as a worker. Creativity, innovation and entrepreneurship are expressions of the character of God.
- Work has intrinsic worth; it is not valued only because of what it produces.
- God wants humanity to enjoy spiritual, physical, economic and social well-being.
- Biblical compassion requires people in business to respond to Scripture’s clearly stated concern for the poor.
- Stewardship means using our resources for the fuller development of the resources of all.
- God’s people should work at things that affirm and enhance life, and avoid supporting that which harms or diminishes life.

After the merger of 1981, the networking and faith-work agenda of MIBA was carried out by MEDA’s “domestic division,” later called North American Services. The following pages outline how that vision has been fleshed out.

In 1987 MEDA put forth a suggested mission statement for members that said in part, “As Christians in business our mission is to honor God in the world of work and economics by extending his reign to all our activities. With Jesus as lord of the marketplace, our task is to love, serve, preach and heal. We use our faith, skills and resources to correct inequities, work toward economic justice, seek righteousness, bring hope where there is no hope, and make all things new.”

In later years a shorter mission statement was used: “MEDA is an association of Christians in business and the professions committed to applying biblical teachings in the marketplace. MEDA members share their faith, abilities and resources to address human needs through economic development.”

Bring hope, make new
Chapters — MEDA at the grassroots

Local chapters have provided a chance for members to get together in smaller groups for fellowship, sharing and grassroots involvement. Some chapters have sponsored local development projects and provided counsel for people in difficulty. At times MEDA has had up to two dozen chapters that functioned with different levels of activity. Some have met only once a year, some as often as bi-monthly.

For many years chapters like Michiana, Lancaster and Clayton Kratz Fellowship held frequent luncheon and dinner meetings. The Kitchener-Waterloo chapter has found breakfast meetings to be popular. At one point the Manitoba chapter held monthly luncheons from September to June.

With the proliferation of other church and professional activities, not to mention fundraising banquets, interest in dinner-type meetings declined in some locales. New forms of affinity groupings are being tested by chapters like Delaware Valley (formerly Clayton Kratz). Some chapters (like Winnipeg and Saskatoon) now hold annual golf tournaments.

Other forms of direct activity have been employed by chapters. Some members have served as trainers and mentors with ASSETS programs where available.

The Lancaster chapter operated a Befriending Program (reported more fully elsewhere). The Manitoba chapter had a mediation service in the early 1980s. The Winnipeg chapter has been connected with Opportunities for Employment, which provides job training for welfare recipients.

In the early 1990s the Iowa MEDA Chapter set up a project to help low-to-moderate income families purchase and renovate single-family homes. In 1997 this chapter set up a mediation referral service to assist communities in the state’s southeast with business-related conflicts.

The Denver chapter got involved with direct investment in Paraguay. Thanks to connections made when Tom and Ruth Friesen served in Paraguay, several MEDA members made sizable investments in a starch plant which is functioning profitably in Paraguay.

In 1997 an air courier service got into business with help from the MEDA chapter in Sarasota, Fla. Curtis Ross, a former Eastern Airlines pilot, needed help getting Son Air launched. He enlisted the help of Roy and Bess Mullet, who decided to funnel their start-up loan through the MEDA chapter. The Mullets gave the chapter $20,000 to lend to Ross under an arrangement whereby half of the repayment would stay with the chapter to assist other new firms, and the other half going for MEDA’s international development work.

The Sarasota chapter also produced a Directory of Christians in Business in 1988, featuring 48 businesses plus information about MEDA and how to join.
For its first dozen or so years MEDA went about its work quietly and with little publicity. At a board meeting in 1966 J. Winfield Fretz moved that MEDA start a quarterly bulletin, "a digest of pertinent information of MEDA projects and interest." The motion passed unanimously. However the idea took time to gel.

In 1970, the Church, Industry and Business Association (CIBA), which later merged with MEDA, established a quarterly CIBA Newsletter, edited by Calvin Redekop on a volunteer basis. This later became the MIBA Newsletter. Then, with an eye toward the eventual MIBA/MEDA merger, it began carrying the MEDA logo and became known as the MIBA/MEDA Newsletter. In 1980 it became The Marketplace, then still a quarterly, with Redekop its editor. The following year a one-page newsheet, MEDA News, was introduced and published for a period of time before being suspended and reintroduced in 1987.

In 1978 J. Winfield Fretz wrote The Meda Experiment: Twenty-five Years of Economic Development (Conrad Press). It remains the single most important chronicle of MEDA's first quarter century.

The same year MIBA published the third edition of the Mennonite Business and Professional People's Directory, listing 7,500 names.

Two faith-business booklets were published in 1982 - Stewardship of the Gospel: A Business Person's Perspective by Paul Lederach and John Rudy (48 pp.); and The

MEDA's primary chronicler has been Calvin Redekop, editor of the original CIBA Newsletter and its subsequent incarnations, and founding editor of The Marketplace.

The idea of a MEDA publication was put forward by J. Winfield Fretz as early as 1966, shown here with a copy of his 1978 book, The Meda Experiment.

Business Person, the Christian and the Life of the Church, a collection of essays (55 pp.).

In 1985 Wally Kroeker became editor of The Marketplace. The following year the magazine became a bi-monthly with expanded pages. It went well beyond MEDA's membership, its circulation of 6,500 including Mennonite pastors, development agencies, libraries and non-member subscribers.

As the magazine evolved, it was decided that it should not be a "house organ" in the traditional sense of aiming purely to promote the organization. It was to be a magazine in its own right whose main
God's Audit
The Small Business Solution, an introduction to micro-enterprise programming, was self-published by MEDA in three different language editions: English, Spanish and French.
In 1991, as part of its emerging assistance to new entrepreneurs in Russia, MEDA acquired translation rights for the book Management: A Biblical Approach by Myron Rush, and had it translated and published in Russian.

The following year Herald published God's Week Has Seven Days: Monday Musings for Marketplace Christians by Wally Kroeker. The book won an Award of Merit from Excellence in Media.
In 2003 MEOA helped bring into being Moneywise Meditations, by John H. Rudy, former board member and later vice-president of MEDA. In 1989 MEOA helped bring into being The High Cost of Abundance: The Story of Capitalism by Henry Rempe (Herald).

Today MEDA also maintains its own web site which remains a popular source of instant information about MEDA and its programs. Its address is www.meda.org.

The Small Business Solution, an introductory micro-enterprise manual, was published in English, French and Spanish.

The Marketplace was introduced in 1980. Notice the use of both the MIBA and MEDA logos on some issues.

The goal was to promote the mission of MEDA, that is, to encourage a Christian witness in business, to promote business as an important avenue of Christian mission, and to highlight opportunities to use business skills to meet human need. In contrast, other publications such as the quarterly MEDA News focused on the program of MEDA, and thus were more visibly promotional. In 1993 The Marketplace received an Award of Excellence designation by the Evangelical Press Association.

Over the years discussions were held as to how glossy The Marketplace should become. The question was posed, "Do businesspeople really want a glossy publication? After all, their favorite newspaper is the Wall Street Journal, arguably the print world's most visually underwhelming product." The Marketplace gradually added color and went full-color in 2000.

In 1989 MEDA compiled a book of columns by John H. Rudy which was published by Herald Press under the title, Moneywise Meditations: To Be Found Faithful in Biblical Approach by Myron Rush. and had it translated and published in Russian.


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The Small Business Solution was self-published by MEDA in three different language editions: English, Spanish and French.
Gathering places

Wherever two or three are assembled you have the makings of a workshop, seminar or conference

Regular gatherings have been central to MEDA's efforts to promote Christian faith in the marketplace.

The start of the Church, Industry and Business Association (CIBA) in 1969 (which eventually became part of MEDA through a series of mergers) marked the beginning of formal gatherings. CIBA, and later MIBA (Mennonite Industry and Business Associates), held annual meetings for nurture and ethical discernment. For a number of years prior to the merger of MIBA and MEDA, the original MEDA held its annual meetings in connection with CIBA and MIBA gatherings.

MIBA had an ambitious slate of regional activities. In 1977 seminars were held in Oregon and Kansas on topics such as God As My Business Partner and Christian Ethics for Mennonite Business and Professional People.

In 1979 half a dozen day-long and weekend seminars were held in six regions, from Florida to South Dakota.

By the early 1980s seminars were being offered on The Effect of Micro Electronics on Industry and Human Relations.

In 1983 MEDA arranged with Mennonite colleges and institutions to offer five different seminars to chapters and church groups. Topics included Stress Management and Microcomputers for Business.

Construction industry conferences

From 1986 to 1993 an annual conference for people in the construction industry was held in the southern states, usually in Sarasota, Fla., but sometimes Phoenix.

Additional conferences were held in Kansas, Virginia and Pennsylvania on Family Business Succession, Spouses in Business, Career Versus Family, Litigation Issues Facing Mennonites and Christian Mission in Financial Institutions.

In 1988 MEDA, along with Mennonite Central Committee and two Mennonite colleges in Winnipeg, sponsored a Colloquium on the Theology of Work, complete with academic presenters, responders and even a findings committee.

Specialty conferences were presented periodically. In 1992 MEDA Trade International co-sponsored a Debt for Development Conference in cooperation with the University of Ottawa.

In the 1990s special events and retreats targeted member segments such as young people, women and lawyers. Seniors were offered a Transitioning Retreat in 1997, a Mennonite Seniors Sports Classic in 1998, and a Senior MEDA Mennonite and Amish Heritage Tour in 1999.

Annual convention

The annual convention, usually held the first weekend of November, became MEDA's most visible public event. It

During her tenure as vice-president of member and resource development, Carol Suter (right) introduced new touches, like western and jazz themes, to MEDA conventions. With her in this 1997 photo are financial officer Gerhard Pries and his wife, Hilda, center, and president Ben Sprunger at left.
provided an opportunity for fellowship, growth and communication with the church. Convention locations rotated among the MEDA constituency. Attendance depended on proximity to large concentrations of members, exceeding 600 in places like Lancaster, Pa., and Winnipeg, Man. By the late 1980s the annual MEDA convention was said to be the largest annual inter-Mennonite gathering in North America.

The MEDA convention could be a springboard for others. Habitat for Humanity founder Millard Fuller was introduced to Mennonites when he spoke at the 1985 convention in Cedar Rapids, Iowa. Some Manitoba members, galvanized by his vision, helped form Habitat chapters in both Winnipeg and Winkler, Man. Their energy gave impetus to the development of Habitat across Canada over the next decade. Several MEDA members would reach top leadership positions in Habitat Canada and Habitat International.

One year the MEDA convention helped "restore" the ministry of a prominent evangelical figure. Gordon MacDonald, popular author and pastor, had at one time allowed drivenness to weaken his spiritual moorings resulting in a moral failure that cost him the presidency of Inter-Varsity Christian Fellowship. Subsequently he submitted himself to church discipline and became a leading evangelical model of redemptive restoration. Neil Janzen, then MEDA's president, felt MacDonald was the kind of speaker who could help MEDA address the theme of business pressure at its 1988 convention in Tampa, Fla. He contacted Mennonite leader Myron Augsburger, who not only endorsed MacDonald but also offered to serve at the convention as a show of support. MacDonald, who along with his wife, Gail, spoke on pressures of leadership, thanked MEDA for facilitating his first return to public ministry.

**Benefit concerts**

New features were added. In 1996 the first benefit concert was held. World renowned operatic tenor Ben Heppner agreed to perform, but had to cancel because of illness. Nonetheless, other opera stars were enlisted and the show went on. Heppner eventually returned to the MEDA stage and put on several benefit events for MEDA.

Another popular feature was an auction, introduced at the Kansas City convention in 1997, and repeated several times. Members were invited to donate products and services for sale, with proceeds going to MEDA.

The Vancouver 2000 convention highlighted international trade with a Pacific Rim Mennonite Business Expo featuring Mennonite manufacturers and products, mostly from Indonesia.

A year later, the Chicago convention (co-sponsored by MEDA and Partners for Christian Development, a Christian Reformed group) was preceded by a one-day seminar on Poor Farmers and Globalization. The seminar brought together representatives from multinational agro-marketing companies and international development organizations to explore how the poor could benefit from international agribusiness.
Things we tried
Some MEDA "products" didn't last

As every businessperson knows, not every venture succeeds, not every product sells. Over the years MEDA has tested "products" that for one reason or another didn't last.

In the early 1970s the concept of a directory of Mennonite businesspeople was carried out by Mennonite Business Associates (MBA), one of the organizations that flowed into the eventual MIBA/MEDA merger of 1981. As Calvin Redekop relates in his history of the merger, "one of its major purposes was to help form a network of Mennonite business people." The original idea for a directory had come from John Bontrager, Jr., a founder of MBA. While travelling he stopped at a motel and later was pleased to find it was run by Mennonites. He mused about a directory that would make it easier for Mennonites to identify and contact one another. The first was published in 1974, the second two years later, each successive edition containing more listings. The third and final edition, published in 1978 by MIBA, listed 7,500 Mennonites and establishments.

Keeping the directory current in those pre-computer days was a big task, and the financial returns were slim. Not everyone was excited about being listed, as the directory was subject to abuse by non-profit fundraisers.

A business link for students
The MEDAnet idea was born in the fall of 1985 when Mennonite college presidents met with officials of MEDA and other church representatives to explore ways of bringing business and education closer together. Most of the presidents said business had become their school's largest department, with a total of 800 business students enrolled in Mennonite colleges.

MEDAnet's aim was to provide a "job search" function for business students and a "people search" function for MEDA employers. Another goal was to develop a maturing link between the students' career track and their faith journey.

When students enrolled in MEDAnet their personal data were entered into the computerized bank. Enrolled companies listed a description of their vacant positions as well as a brief company profile. Employers were alerted to possible matches. The rest was up to them.

MEDAnet began operating in March, 1987. Students were not charged to enroll. The hope was to raise the annual $30,000 cost of the service through voluntary contributions by employers, colleges and MEDA members.

Volumes never reached a sustainable level. Most employers found it more convenient to hire local applicants for the kinds of positions for which recent college graduates were suited.

A network of support
The notion of businesspeople serving as a support network goes back to the earliest days of MEDA. The undercurrent of Mennonite mutual aid flowed strongly through the original MEDA's efforts to invest with needy Mennonites in Paraguay. It was even more visible among the organizations that later flowed into the merged MEDA—CIBA, MBA and MIBA. People in business often found that the traditional means of moral and spiritual support via the congregation were not always available. Many pastors did not sufficiently understand the tensions and complexities of business to offer meaningful nurture to the businessfolk in their congregations. At least, that was the perception of many businesspeople who were reluctant to bring concerns to church.

A way to respond to some business-related needs in a structured fashion was devised by the Lancaster MEDA Chapter in the late 1980s. It started off as a way for...
Efforts were made to reach specialized segments of the membership with newsletters.

MEDA members to reach out and assist people going through personal or job-related difficulties. Businessfolk made themselves available to "walk alongside" and support persons with work-related problems. They did not function as therapists, but their service was sometimes part of an overall therapy process.

The program came into being when a local therapist informed the chapter of several local people who were in various kinds of trouble at work. "He felt that someone who was familiar with the work environment might be able to befriend these people and help them talk about their problems and maybe find some answers," said Chet Raber, a management consultant and one of the originators of the program. These were people who had gone through experiences which isolated them, such as loss of a job, embarrassments in their personal lives, marital discord or even trouble with the law.

When a case was referred to MEDA counsel by the therapist, the program assigned a "befriender" to maintain contact over a period of months, either by telephone, breakfast or lunch visits, attendance at meetings of the MEDA chapter, and so on.

Raber saw it as a good way for businesspeople to minister to others within the sphere of their own experience. "I think this is one of the ways in which people in a work environment can fulfill something of their mission - they can reach out to people, can help people, can witness to people, can serve people in a way which is familiar," said Raber. "Some of us can't be missionaries, some of us can't preach, some of us can't do a lot of these things, but we can communicate and reach out. We can take a little time to help people."

Business counsel

In the fall of 1987 an expanded version of the Lancaster concept, called MEDA Business Counsel, was proposed to members at the annual general meeting in Charlottesville, Va. This was an attempt to formalize mutual aid at the North American level and take it beyond its earlier scope.

The proposal called for four components:

- mentors who would "walk alongside" a fellow businessperson facing difficulty;
- mediators who had the appropriate skills to mediate conflict situations;
- consultants who could provide advice on business operations, management, etc.
- counsellors who offered pastoral attention such as teaching, affirmation and admonition.

"There's a need among our members and within the broader constituency to receive counsel on a variety of business-related concerns," said MEDA president Neil Janzen. "At the same time the resource to provide this counsel is resident within our membership." He said the service aimed to enable member involvement as well as provide a service to the broader constituency.

The concept was endorsed by members and for several years functioned as MEDA Counsel. The program never reached the scope originally envisioned. Yet, for those requiring assistance it provided an invaluable service.

MEDA publications regularly carried ads that said, "Business problems? Need help?" The ads offered friendship, guidance and support in times of financial difficulties and ethical dilemmas. A MEDA Counsel Hotline number was posted that people could call for confidential assistance.

Eventually the formal service was discontinued, although the practice of mutual support continues on an ad hoc basis.

Reaching out to other segments

Under the leadership of Carol Suter, who served as MEDA's vice-president of member and resource development in the mid-1990s, efforts were made to involve new membership groupings.

One was a Young MEDA segment for members under 35. There was also Senior MEDA for members who were retired or close to retirement.

In 1996 a lawyers group was added when the Mennonite Lawyers Association was invited to operate as a professional section within MEDA. The lawyers had been meeting sporadically since the early 1980s. The plan was for MEDA to handle administrative tasks and work with lawyers to plan activities.

Individual newsletters for each of these three groups were published for a period of time, but the groups failed to maintain traction over the long run and eventually were disbanded.
Touring with MEDA

MEDA's history began with a tour, the famous “flying mission” of 1952 when groups of businesspeople flew to South America to investigate economic need.

Many other tours have followed, though none so dramatic. As early as 1981, three different tours were being offered to acquaint members with programs, including a 16-day tour to Central America and two (18 days and 21 days) to South America.

In 1986 MEDA offered an “Asia Tech MEDA Tour” to look at issues of technology, business and faith in Japan, Thailand, Bangladesh and Hong Kong.

Over the years there have been numerous tours (sometimes two a year) to Haiti (including the working visit of a “tin roof crew” to help build a cocoa depot in Port-au-Prince), Jamaica, Bolivia, Paraguay, Nicaragua, Tanzania, Mozambique, Russia, Cuba, even a tour to the Mennonite World Conference assembly in India. In recent years tours have also been arranged for reporters from the secular media.

The concept of novelty tours was tested, such as a Haiti mountain trek for young people and a whitewater rafting experience. Not all materialized. One that did was a Yellowstone Women’s Leadership Retreat in 1996. The trek used llamas and guides to explore Montana’s Tobacco Root Mountains. The turnout was small, but those who went were invigorated by the unique approach to exploring women’s call to leadership.

In 1997 marketing executive and former Middle East Mennonite Central Committee worker Harold Dueck led a Palestinian Trade Mission for MEDA members who wanted to meet Palestinian businesspeople, develop relationships and open the door to trade.

A dozen students from a Mennonite high school in Winnipeg visited Nicaragua on a study tour in 1997, accompanied by two teachers and a MEDA staff member. They visited micro-enterprise and marketing programs, then later wrote papers about the experience.

Said one student, “I saw how much MEDA was actually doing. I was surprised at how much they were changing and helping the people’s lives.”

Said another, “totally cool.”

Ben Sprunger, center, led a 1997 tour to the Mennonite World Conference in India, stopping off to meet Mennonite business leaders in Jakarta, Indonesia.

Jay Oberholtzer (left), husband of board member Rhoda Oberholtzer, on a tour of micro-enterprise work in Bolivia.

Former MEDA president Lee Delp (center, with hardhat) leads a group of Congolese Mennonites on a tour of Moyer Packing, where he served as CEO.
Growing ASSETS

It began as an attempt to apply MEDA’s micro-enterprise expertise in members’ own backyard. It soon took on a life of its own, and recently marked a decade of helping people transform dreams into businesses.

As MEDA’s overseas programs gained prominence, there were persistent reminders that needs were great back home, too. Some members went as far as to say that parts of North America were like a Third World nation in their own backyard. Repeatedly the question was raised: “How adaptable is the MEDA method to North America?”

MEDA knew it couldn’t simply plunk its international methodology into a U.S. or Canadian setting without modification.

For one thing, a domestic program would be far more expensive because costs were higher. Would donors understand? Would donations be diverted from overseas programs?

Moreover, there were many more regulatory obstacles. In Haiti, someone could wake up one morning and decide to start a business selling citrus on the street. In the U.S., a thicket of regulations needed to be processed—health regulations, licenses, zoning, insurance and various kinds of taxes, to name a few.

MEDA turned to Sue Waterfield to design a model for the North American context. She and her husband, Chuck, had been part of MEDA’s original micro-enterprise program in Haiti in 1986, as well as its replication in Bolivia. They had since moved to Pennsylvania.

The pilot model was launched in June 1993 in Lancaster, Pa., a city close to the MEDA heartland, with plenty of prospective supporters, trainers and mentors nearby. “Lancaster offered a manageable size, proximity to MEDA staff, and a large, committed MEDA chapter, while presenting the typical urban problems of poverty and associated social ills,” said Waterfield.

Like MEDA’s Haiti program, the new model would provide basic business training, ongoing mentorship and access to small business loans. It was seen as a unique alternative to welfare. Numerous other agencies in North America were doing job training, but few were focused on micro-enterprise.

The name chosen was ASSETS (A Service for Self-Employment Training & Support).

Initially the target was low-income people, but that was broadened to include those of moderate incomes. Staffers went door-to-door, leaving brochures. They also...
Evelyn River•.

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teacher.

Some of those who came out were
unemployed.
some were on welfare.
some had jobs but felt
under­
utilized.
They
all
had a dream- to run their own
busi­
ness.

ASSETS concluded its first set of
classes

in the

fall

of

1993 with a graduation of 15
participants. A second cycle

got underway the

next

month.

Among the early
participants were
Hersi Mohammed,
a Somali refugee

with college

education but no
business

experience

in the

U.S. He needed a mentor to help

him

start a small business selling a
Somali snack food called
sambousi. Another was

upholsterer Jose Galarza. He

knew how to re-upholster

furniture and had many of the
tools to start his own business. But he
lacked general
business
knowledge

and needed a place to do his work.

Participants met two nights a week for 15
weeks (the frequency was later reduced slightly). Volun­
teer instructors, many of them from the ranks of MEDA's
Lancaster chapter, shared the teaching load. Topics
included market research, promotion, bookkeeping,
pricing and business law.

The training course was rigorous, but most partici­
pants stuck it out. One woman walked 16 blocks each
way to attend classes.

A big plus was that instructors were themselves
experienced in business. The opening lecture, for example,
titled "Entrepreneurship and the Successful Entrepreneur;"
was taught by Luke Wenger, a one-time respiratory
therapist who had transformed some of his ideas into a
thriving medical instrument business.

Trainers got high

marks. "The

participants seem
to connect with
real people who
have businesses,
not professors
with theory."

In order to graduate,
participants had to
complete a detailed
business plan that would
serve as a blueprint for
their prospective enter­
prise. This plan became
like a final exam. (Though
everyone had to complete
this assignment, not all
graduates actually started
a new business. Some
ended up taking new
jobs.)

When first designed,
ASSETS ran in partnership
with the Pennsylvania
Mennonite Federal Credit
Union which was willing
to provide loans of

$2,000 to $5,000. It soon became clear, however, that
credit was not in great demand. Other programs seemed
to be available to meet this need. Hence, ASSETS con­
centrated on the training aspect.

From the start, participants praised the training not
only for its practical benefits but also for boosting their
self-esteem.

"Everything was helpful because I knew nothing,"
said early participant Ruth Moore, who had planned to
launch a videography business. "They got a completely
brain-dead person as far as business was concerned. They
molded me. I got knowledge, and with knowledge came
confidence."

That could be a big factor for low-income people, said
J.B. Shenk, one of the original staff members. "They've
experienced so much failure; why should they think they
can succeed in business?"

It soon became evident that the program was meeting
a market niche. It was helping people who had dreams and aspirations of running their own business but didn’t know how to get traction. Along the way it was helping develop leadership skills, especially among women and minorities.

Working behind the scenes for ASSETS was a network of supporters who provided ongoing counsel to director Howard Good and his staff. There was a 12-member advisory committee with a membership ranging from big business owners to welfare administrators. Initially there also was a loan review committee of bankers and businesspersons. All saw the program as a way to share their skills and minister to the “stranger within our walls,” as Shank put it.

“Our purpose as Christians is to help others and to use our talents wisely,” said Richard Good, who at the time headed a chain of 14 furniture stores and was a strong pioneer supporter of ASSETS. “I’m interested specifically in helping the less fortunate to help themselves.”

As the model matured and was replicated in several locations in Pennsylvania and beyond, trainers remained key.

Jim Williams, director of ASSETS Montco in Norristown, Pa., maintained that the training was better than what was available at some leading universities. “The participants seem to connect with real people who have businesses, not professors with theory,” he said.

Added an instructor from the DREAM program in Fresno, Calif., “I’ve got an MBA, but I would have traded it to have this class. It’s more valuable to hear from people who have been there.”

This was precisely part of the original plan. When the initial ASSETS was launched, a member of the planning committee said, “Let’s try to get mentors who have been in business themselves, not MBA types. We need people who know what it’s like to have to meet a payroll.”

Many graduates agreed.

“I took quite a few business courses in college but I...
learned more here at ASSETS than in all those courses combined,” said Frederick Taggart, whose company restored wooden church pews. “It was real businesspeople talking about how to do business. It wasn’t theoretical — these people were successful in business. They had credibility. The course gave me an overview of the basics, how to get started in business.”

When Evelyn Rivera enrolled in an early ASSETS Lancaster course, she had been laid off from a graphic design company and wanted to start her own studio. As the course progressed “I felt like I had struck a gold mine,” she said.

Instructors also found the experience enriching. “Teaching at ASSETS is the most important business thing I do during the year,” said Ken Byler, director of marketing for an accounting firm.

Another vital part was the ongoing mentoring that took place after classes were over. Mentors came from a wide range of businesses — real estate, marketing, insurance, investments, retailing, manufacturing and agriculture. They were a key element, said Frank Ulrich, a retired businessman who was vice-chair of ASSETS Toledo and served as a mentor. “So many government programs offer a short business course, you’re in and out on a Saturday, but then you’re on your own. The mentoring program is an important aspect of success.”

The Marketplaceno November December 2003
Despite recent industry growth, there's still an estimated 13 million low-income entrepreneurs who could benefit from the service provided by ASSETS. Shown above, ASSETS Montco graduate Ray Bibbo, whose catering business in Norristown, Pa., increased 40 percent after he completed the course.

When ASSETS Lancaster began, Allon Lefever, then an executive with High Industries, was both an instructor and a mentor. He taught the sessions on competition and positioning, helping participants learn to identify and analyze the competition, determine the competitive edge, and understand market niche. Being a mentor opened his eyes to the very different world of micro-business. "It makes you aware of the difficulty of working with so few resources," he said.

According to Howard Good, mentors were like "a cheerleader who also serves as a reality check." They provided a seasoned second opinion, but they also served as a voice of reassurance and encouragement.

ASSETS kept growing. In 1997 it was replicated in Norristown, Pa., and Fresno, Calif. Numerous others were added: Harrisburg, Pa. (1998); Montrose, Pa. (1999); Harrisonburg, Va. (1999); Los Angeles (1999); Toledo (2000); Mexico City (2001); Philadelphia (2001). As MEDA concluded its 50th year, additional replications were taking place in Miami, Chicago, Peoria and Vancouver.

At the end of its first decade, 1,751 people had taken business training through ASSETS in 10 locations, with 1,266 graduating. 659 businesses started or strengthened and 395 full-time and 299 part-time jobs created.

Meanwhile, MEDA's model was gaining recognition at the national level through its U.S. trade association, the 450-member Association for Enterprise Opportunity (AEO). The industry was clearly burgeoning, but not fast enough to meet the need. In the United States alone there were an estimated 13 million low-income entrepreneurs who could benefit from the service provided by ASSETS.

On the basis of this reputation, MEDA was selected by the U.S. Government in 2002 to be an intermediary for $1 million (with an additional $1 million a year later) to strengthen local and faith-based groups engaged in community economic development. A total of 21 agencies received such funding from the new Compassion Capital Fund of the U.S. Department of Health and Human Services (HHS).

The money enabled MEDA's Community Economic Development department to extend technical assistance, training and sub-awards to beef up organizations providing the needy with business training, support, job skills and other human services in six locations: Chicago, Peoria, Indianapolis, Pittsburgh, Miami and Los Angeles.

MEDA's role was to provide the training, technical support, mentoring and, in selected situations, funding to help small organizations improve in areas such as planning, managing finances, board relationships, tracking performance, expanding services to additional clients, and fundraising.

"This is a new way of fulfilling our mission to bring hope and opportunity to low income communities in North America," said Howard Good, MEDA's vice-president of North American Operations.
The next 50 years

MEDA has reached “middle age.” What now?
Clearly, we are still needed. The rise of global trade cries out for business that is seasoned by faith.

In our 50th year we have devised five “product lines” to clarify how we offer our “treasure in jars of clay” (2 Cor. 4:7) to a world in need.

1. Microfinance
As pioneering practitioners, we serve other microfinance institutions (MFIs) by helping them become more innovative as they provide sustainable access to savings and credit for the poor. Either by training our partners, or through our own MFIs, we design deft strategies to help the industry serve more clients, prudently and profitably.

Today’s microfinance industry, rife with mergers and acquisitions, is moving to more remote and challenging locations. We’ll keep pace so we can reach hundreds of thousands of poor entrepreneurs who lack credit and other financial services.

2. Production-Marketing Linkages
We’ve become adept at arranging market access for small producers. In Peru, MEDA’s skill recently brought partners, producers and capital together so that landless farmers could start growing snow peas for a customer in Europe.

Some of the world’s largest development agencies seek our help to mobilize capital, connections and technical expertise this way. More demand is imminent as international trade issues grow and as donor agencies gain new interest in agriculture.

We are well-positioned to gain maximum impact from blending market development and social marketing.

3. Investment Fund Development
MEDA is an emerging leader in helping move capital to developing economies. Earlier we created the Sarona Global Investment Fund. Now we’re partners in MicroVest, a global microfinance fund capitalized largely by private sector investors. Access to foreign direct investment enables the poor to produce and trade their way out of poverty.

MEDA is ideally suited to (a) help agencies who lack investment know-how get into this field; and (b) help interested investors who lack development expertise. Immense opportunities await us to match the resources of capital markets with the capital needs of the poor.

4. Community Economic Development
This new product line provides continuing support for microenterprise development, such as the familiar ASSETS methodology being used in 12 communities. CED also will broaden MEDA’s resources such as through our recent selection as an intermediary for a U.S. Government initiative to help build the capacity of other smaller organizations working in community economic development.

CED is poised to work at the nerve center of critical issues like unemployment, which is rising steadily again, especially among minorities. Nearly five million North Americans work at part-time jobs when they would prefer full-time.

5. Member Services
New energy has been put into refining MEDA’s member services. We want to strengthen faith-work-development connections, especially among younger members, business students and local chapters. We also want to coax out new ways for members to share their expertise more widely.

Although businesspeople in today’s frantic society have extremely full schedules, MEDA members say they value associating with like-minded Christians in business. We want to be a vehicle for them to find more opportunities for fellowship and inspiration.

This is how we’re positioned now. We’ll adjust as needed, but our mission will remain fixed. We’ll continue to see our world through the lens of faith-infused entrepreneurship so we can refract hope for those in need.