

## **Dependency! Is Micro-credit an Answer?**

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### Introduction

My first exposure to abject poverty was while serving as a U.S. Peace Corps Fisheries Volunteer in the Philippines. My wife Pat and I served there from 1971-1973. It may come as a surprise, but it was through this U.S. Government program that we learned the basics of how to avoid dependency! “What they saw is what they got” - the volunteer. Peace Corps trainers instilled in us that real lasting relationships are made when you give only yourself away. We came with our zeal, two suitcases and some knowledge, but no project money, building funds, equipment, or commodities to give away. To be sure, it was frustrating at times not having the resources to do the job the “American way”, but the friendships and respect gained were very real.

It was during our second year of Peace Corps service that God used the overwhelming hopelessness of poverty to convict us of our own lack of love for the poor! Culture shock, sickness, government corruption and nauseating poverty brought us to real repentance and a new life in Jesus Christ. These experiences ingrained in us a love for the poor and a desire to help those in poverty find a dignified way out of it.

In 1984, we returned to the Philippines as church planting missionaries. We worked among the Igorot tribes of the Central Cordillera range of northern Luzon. It was pioneering work. The tribal people, because of government abuse and neglect, were fertile ground for an on-going communist insurgency. This insurgency was rife with promises to liberate the poor. The insurgents saw Christianity as a threat to the spread of their atheistic dogma. This ever-present danger, coupled with poverty - intensified by being disenfranchised for rejecting animistic tribal beliefs - made life very difficult for these early converts. We came into this situation with no building funds, salaries, or program funds. “What they saw is what they got!” What we did bring was a micro-credit program sponsored by FARMS International.

Micro-credit was new to me then, although FARMS had a history of micro-credit dating back to its 1973 inaugural program in Sri Lanka. I was not at all sure how this loan program would complement our church-planting ministry. In fact, I was a bit skeptical, but the believers in the area looked upon it as an answer to prayer. They were a very industrious people. What was lacking was readily available capital to establish productive cash crop farming, animal raising, or home based enterprises.

In brief, we served there for eight very exciting years and saw much accomplished. Our philosophy of missionary practice was to do nothing for those we served that they could do for themselves. This was very liberating for them as well as for us. Our ministry included a Bible training center for church leadership where we taught a chronological study of the Bible. Even this school was a “pay as you go” arrangement with the students paying tuition, providing their own food and even bringing their own bedding. It was their school!

We initiated the FARMS micro-credit loan program early on in our ministry. The results were truly encouraging.

The community, even those sympathetic to the insurgency, acknowledged that we were really helping the poor. Each loan recipient tithed and gave offerings from their project profits and because of this, a self-supporting church naturally emerged. Eventually, a substantial church building was erected with no foreign funding whatsoever - a first in those mountains. Jabbok Bible Church earned a reputation as a giving church, reaching far beyond its own congregation with many acts of charity. They had learned the joy of giving. God provided in many ways, sometimes obviously miraculously, to meet the needs of these new believers. Most have built very nice homes and have experienced many blessings in their lives. Theirs was and is a powerful testimony to those “without” of the grace of God upon those who obediently give back to God as they are blessed. The church continues today in outreach and influence without any outside funding. What resulted was a church that is truly God-reliant.

Since 1993, I have served as the Executive Director for FARMS International. This year we are celebrating 39 years of ministry with eleven programs in eight countries. For me personally this is a very challenging yet fulfilling ministry.

Scriptural basis for micro-credit, or “Doing good that’s good”

Scripture, Old and New Testament, has a considerable emphasis on the poor, revealing for us God’s heart for the poor. Hundreds of scriptures admonish the believer to “consider the poor” to “do good” to the poor, to “plead the cause” of the poor, to “lend to the poor” and to help the poor out of his poverty!

God outlines his blueprint to prevent perpetual poverty in Deuteronomy 15:1-11. As we read these verses we find that loaning to help the poor regain economic security, was central to God’s original formula.

1 At the end of every seven years thou shalt make a release. 2 And this is the manner of the release: Every creditor that lendeth ought unto his neighbour shall release it; he shall not exact it of his neighbour, or of his brother; because it is called the LORD’S release. 7 If there be among you a poor man of one of thy brethren within any of thy gates in thy land which the LORD thy God giveth thee, thou shalt not harden thine heart, nor shut thine hand from thy poor brother: 8 But thou shalt open thine hand wide unto him, and shalt surely lend him sufficient for his need, in that which he wanteth. 9 Beware that there be not a thought in thy wicked heart, saying, The seventh year, the year of release, is at hand; and thine eye be evil against thy poor brother, and thou givest him nought; and he cry unto the LORD against thee, and it be sin unto thee. 10 Thou shalt surely give him, and thine heart shall not be grieved when thou givest unto him: because that for this thing the LORD thy God shall bless thee in all thy works, and in all that thou putteth thine hand unto. 11 For the poor shall never cease out of the land: therefore I command thee, saying, Thou shalt open thine hand wide unto thy brother, to thy poor, and to thy needy, in thy land.

Blessed is he that considereth the poor; The Lord will deliver him in time of trouble. Psalms 41:1  
God even pronounces a blessing, a tangible blessing, encompassing all of life to those who “consider the poor”. It must be emphasized that our attitude towards the poor reveals the deep issues of our hearts. Many use the poor to their own profit or even the profit of their organizations. This is an age-old problem.

“Why was not this ointment sold for three hundred pence, and given to the poor? This he said not that he cared for the poor; but because he was a thief, and had the bag, and bare what was put therein.” John 12: 5,6

Holding the bag presents many temptations here and abroad.

In James 2: the writer admonishes the church saying they “despised the poor” and had become “judges of evil thoughts”.

As Christian missionaries or agencies we “despise the poor” and become “judges of evil thoughts” when we view the poor as deficient human beings, needing our goods, our support, our supervision, and our money, to make them whole! Our despising the poor, coupled with our own sinful pride, is often at the root of the problem of dependency.

Solomon writes “nevertheless the poor man’s wisdom is despised and his words not heard.” Ecclesiastes 9:16.

When we turn a deaf ear to the poor, ignoring their wisdom and words we set out on our own a path, a path of least resistance called dependency.

Work

Throughout the scriptures, the dignity of the poor man is preserved by allowing him to work his way out of poverty when conditions allow. For example leaving the corners of the field unharvested for the gleaners preserved the dignity of those who were temporarily impoverished.

The New Testament, which is the foundation of the western work ethic, is rich in references, honoring and encouraging work.

“And that ye study to be quiet, and to do your own business, and to work with your own hands, as we commanded you; That ye may walk honestly toward them that are without, and that ye may have lack of nothing.” 1 Thessalonians 4: 11,12

“Let him that stole steal no more: but rather let him labour, working with his hands the thing which is good, that he may have to give to him that needeth.” Ephesians 4:28

Here is the key to releasing those in poverty work. Work, that uses their God given talents and resources to create wealth; wealth to meet their own needs as well as others. This is in sharp contrast to consuming someone’s charity.

The guiding principle of FARMS International is the scripture, “As we have therefore opportunity, let us do good unto all men, especially unto them who are of the household of faith.” Galatians 6:10

During this consultation, we have been talking about “doing good”. Dependency is the result of “doing good” that is “not good”. Self-reliance is the result of “doing good” that “is good”. The gulf is very wide between these competing ideas of what constitutes “doing good”.

Dependency ñ How it begins

Anyone who has spent time on the “mission field” is confronted by the disparity between the wealth we experience as normal here and the poverty of fellow believers there. It does not take long before we can see many ways that we can help, especially materially. Our minds become flooded with “if only” thoughts. “If only their pastor would not have to farm to make a living, think of the time he could spend on teaching and evangelism; if only they had a decent church building and maybe a Christian school; if only they had a vehicle to do outreach with; if only their children had decent clothes; if only their pastor could come to our country and get a real seminary education”, and the list grows endlessly! Before long a promise is made to share the need back home and the well-meaning flow of cash and things begin.

The above illustration is simplistic, but all too real. Seldom though, is the devastation recognized until the damage is done. Jealousy begins to stifle the once abundant zeal. Jockeying for missionary favor is unavoidable, and all too common and uncomfortable. The “needs” seem to grow without end. Dependency is the bitter fruit, hindering the spread of the Gospel. How did this happen? The premise was wrong! The motivation was faulty! Instead of seeing the “poor” of God’s kingdom the way he does, “rich in faith and heirs of the

Kingdom” we become “judges of evil thoughts”. Instead of asking God for a scriptural solution to poverty, we come with a quick fix.

Yes, the observations of the missionary or the visitor are accurate. There is the need of supporting the pastor, building churches and schools, doing outreach, caring for the real orphans, training workers and the general uplifting of the economic standard of the believers. How to address these needs in a scriptural manner, while avoiding dependency, must be our goal.

Can micro-credit be used to minimize the dependency syndrome? I believe the answer is yes! When strictly biblical principles are used to guide a micro-credit program, dependency is not a problem and a healthy reliance on God is the result.

How our programs of micro-credit are established

Requests to establish a micro-credit program come from established mission agencies, missionaries and indigenous organizations.

In order to ensure a working relationship our principles of operation are clearly laid out and must be agreed to by the cooperating agency or missionary.

The cooperating agency selects the initial volunteer committee members based on known character and experience. This committee is usually made up of representatives from the group of churches to be helped. A mix of church leadership and business people is preferred.

The committee then drafts a policy statement, which incorporates the basic principles of FARMS International as well as culturally specific modes of operation to ensure success. This policy statement is key to the success of the program and varies uniquely from culture to culture.

Forms for project proposals, and loan agreement are presented for approval.

After all the preliminary paperwork is approved, the committee is trained in general biblical issues of stewardship, business principles, and in program operation. Our professional staff usually does this.

An initial grant to the committee is given for the first round of loans. This grant will usually fund about 20 family projects. All grant monies become the property of the committee and form the revolving fund. We make regular contributions to this revolving fund based on need and performance.

Periodic committee reports to FARMS International include the financial status of the program as well as testimonies from the project holders.

Visits by U.S. staff are made to encourage and further train the committee members as well as to visit project holders.

What we have learned

Development without Christian conversion is futile at best.

Family development is preferred to most forms of community development, because the family has a vested interest to succeed. They are also best at identifying their real needs and will work hard to meet them. Working through the family is very cost effective. Strong vital families are the building blocks of any strong church.

The head of the home is the preferred recipient of a loan. The biblical model of family is thus preserved and strengthened. “But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.” 1 Timothy 5:8

Family discipleship, especially in biblical stewardship, is key to the success of the project. Money is a heart issue; therefore, it is not surprising that the loan program is an open door to effective discipleship. The church and the committee disciple the family together to ensure project success. “For where your treasure is, there will your heart be also”. Matthew 6:21

Tithing of project profits can not be overemphasized as a key to successful micro-credit programs. Tithing must be taught as an act of thankfulness and obedience for the blessings of God. The joy of giving needs a starting point and our policy of tithing the profits of the project provides just that. Once this habit is established it releases the individual to a lifestyle of generous giving and experiencing the blessing of God. “Will a man rob God?” Yes, even the poor can rob God in tithes and offering!

Giving is key to breaking the cycle of poverty. The project holder not only provides for his own needs but also becomes a blessing to others. This truly builds self-worth and breaks the poverty mentality.

Project candidates must have local church endorsement. This ensures that the committee is helping those with a proven Christian commitment and a real need.

The volunteer committee operates para-church. This encourages fairness in loan distribution and preserves the unity of the church. The Policy Statement gives the committee a uniform standard of operation, minimizing favoritism.

Generally, new programs are given consideration if recommended by a known field missionary or a well-established indigenous mission.

The size of a program and area of impact is determined by the ability of the committee to effectively administer and monitor the program. Generally, nationwide programs are avoided due to logistical constraints.

Loan distributions should be clustered to maximize the impact of the generated tithing on individual churches. The goal is family as well as church enablement.

All volunteer committees favor those with a heart to serve and they foster a trust in beneficiaries.

A service fee set by the committee of 5-10% of the loan's face value helps pay administration costs as well as forming a buffer against bad debt and devaluation that decrease the revolving fund. There is little reluctance by the loan recipients to these fees and paying as you go seems to promote program ownership. As the revolving fund grows and more loans are revolved, the generated service fees have the potential of funding a part or full-time position on the committee.

Two of our early programs did receive funds to cover salaries and administration costs. Although these programs grew and became indigenous ministries in their own right, the practice has been ended. Both of these programs had become “dependent”, but now are looking to resources such as the service fee and local support to meet administrative needs. This was a difficult but necessary transition for these programs to become fully indigenous.

We receive no government funding. This policy permits total freedom to share the Gospel as well as to target the church of Jesus Christ.

Programs that incorporate regular meetings of project holders, with the sharing of testimonies, ideas, as well as receiving continuing biblical and technical training, are the most successful. Real program ownership and

community result.

Committees can cost effectively provide technical training from in-country resources that benefit project holders and the community as well.

The creativity and skills of the borrower dictate the types of projects funded. If skills are lacking, appropriate training is recommended. The committee fine-tunes the proposal to make business sense before final approval.

Loan size varies from program to program, but generally runs between \$50.00 and \$600.00. The repayment schedule reflects the onset of a profit. It normally will take two or three project loans to bring a family up to a self-sustaining status. Integrity and project potential are key elements to awarding a second or third loan.

Project size must be large enough to maintain capital for continuation of project. Personal savings accounts are key to long term economic stability.

Using surety, to guarantee loan repayment, has some very negative consequences and we suggest that committees not use this approach. "Be not thou one of them that strike hands, or of them that are sureties for debts." Proverbs 22:26

Micro-credit is an opportunity for the rich to meaningfully supply the "necessity of the saints", while not fueling dependency. "But whoso hath this world's good, and seeth his brother have need, and shutteth up his bowels of compassion from him, how dwelleth the love of God in him?" 1 John 3:17

In conclusion to this section we offer the observation that families are key to development. It is also important to note that the poor need not be dependent, but in fact flourish when given the opportunity to use their God given talents and gifts. In addition, wealth created by believers not only impacts the immediate family but can be directed to support the local church and its ministries. Overall, this approach is an effective tool in preventing or reversing the dependency syndrome.

Some observations on the benefits of a Christian micro-credit program.

Families and individuals in poverty are given an opportunity to find a dignified way out of poverty. The welfare mentality is broken. The whole family is helped.

Working with one's hands to have something to give to others is liberating. The project holders experience the joy of giving and being a blessing.

Maintains the biblical family order, in actuality keeping families together.  
Impacts the rural as well as the urban poor.

It breaks the usurious money lenders hold on the poor.  
Multiplies "thanksgiving unto God"! 2 Cor: 9:12

Generates prayer for those who give to support the program, thus connecting the Body of Christ in a healthy way. "And by their prayer for you, which long after you for the exceeding grace of God in you." 2 Corinthians 9: 14

The committees provide leadership opportunities that develop real servant leaders.

Programs encourage true local ownership and decision-making, adapted to the local culture.

Promotes an indigenous vision to help their own people.

The church becomes a viable agent of change in the community.

The local church is strengthened by the spiritual growth and giving of project holders, and out from it flow real contact ministries. This is key to growth, evangelism, and missions.

Discipleship through stewardship produces strong Christians. Right handling of “unrighteous mammon” qualifies the disciple to be trusted with “true riches.”

Local committees have the potential to grow into effective indigenous ministries in their own right.

Micro-credit programs can be supported or supplemented from within the country. This promotes real ownership of the program and is a worthy goal.

Micro-credit, because of its grassroots nature, raises up the most needy in the population vs. community development that primarily benefits the middle class.

Micro-credit easily adapts to local culture thus ensuring success not normally experienced in development projects implemented from the outside.

Entrepreneurs create jobs for others, thus stimulating the whole economy.

Governments appreciate the entrepreneurship and the uplifting of the poor.

In conclusion

Is Christian micro-credit a useful tool for missions without the downside of dependency? I believe when used correctly and with a strong biblical emphasis, micro-credit is an effective tool in building up a God-reliant church. Because of this, I would strongly recommend a micro-credit program be instituted early on in any church planting effort to get Christians firmly established economically. The emphasis from the start should be on indigenous support of the church, its pastors, evangelists, outreach, benevolence and building programs. If we are coming alongside an established work, great emphasis should be placed on teaching the proper biblical view of stewardship. We have found that there are like-minded nationals that are eager to “run with the vision” in every place we have programs.

As westerners, we take easy bank credit for granted. We use it nearly every day of our lives. Therefore, it is not too difficult to imagine the hardships our brethren experience in places where credit is not available or comes with crippling usury. It is therefore easy to endorse the micro-credit approach. In addition, it is gratifying to see our mission dollars, that are invested in revolving micro-credit, keep on working! This approach to helping the poor not only produces wealth but it generates tithes and offerings promoting self-supported and God-reliant congregations with longevity.

I trust the ideas and observations presented in this paper will encourage many in what the poor can do for themselves. “With God all things are possible”.

In Jesus,

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