

Executive Director's Update April 2007



Dear Brothers and Sisters,

Warm greetings in the Lord Jesus Christ!

For you have the poor with you always, and whensoever ye will ye may do them good: but me ye have not always. Mark 14:7

There is a lot of buzz lately about the phenomenon of micro lending. Muhammad Yunus recently won the Nobel Peace Prize for his establishment of the "for profit" Grameen Bank, which gives micro loans primarily to poor women in Bangladesh. He is being hailed as a pioneer of micro credit for establishing this bank in 1976. Since then, many groups have modeled their programs after his.

In recent years micro credit has leaped to the forefront as the primary tool for poverty alleviation. Many government aid agencies and even the private sector now endorse this approach. Individuals can now "invest" in micro credit mutual funds that earn a significant return. There is a catchy phrase in vogue to describe this type of investing; "*Doing well by doing good*". It all sounds quite exciting and noble, but there is more to the story.

Without going into too many details, I just want to say that the ministry of FARMS International operates with a totally different set of values than these agencies and banks. We use our own motto, "**Doing Good That Is Good!**" to convey what we do. This phrase is also catchy, for it begs the question "Isn't all good, good?" The answer is, no! For example, doing for the poor what they can and want to do for themselves is not good, even when done with good intentions. Why, because it creates dependency and destroys dignity. Making money off the poor, by charging high interest rates, 20 to 60% (which may well be lower than the money lender's rates, but is typical of most micro credit programs) is still not good. Loaning only to women (over 95% of all micro lending is given to women) is not good, when it further breaks down the family and in some cases increases abuse of the wife. Using solidarity groups to "guarantee" repayment of the loans (most lending schemes use this approach) is not good. Why, because surety is forbidden by scripture because it creates all sorts of social maladies and broken relationships, yet agencies unabashedly claim nearly no defaults using this system! The list goes on and on and we trust to explore these contradictions in future newsletters.

I rejoice in the fact that FARMS pioneered small revolving loans for poor Christians well before it became mainstream. Reverend Gareth Miller, who founded FARMS in 1961, was a true visionary. He sincerely wanted to develop a way to help poor Christians come out of poverty while preserving their dignity and God showed him through the scriptures just how to do that. **FARMS does not make money on the poor**, but the poor do create wealth that benefits their families and their whole community. We teach that the way out of poverty is through giving. Obedience in tithing by loan recipients promotes their spiritual growth and economic well being. Tithing also strengthens the local church and increases evangelism. It enables the local church to be a source of blessing to the whole community. Our "bottom line" is strengthening families and their churches to carry out evangelism. This is "**Doing Good That Is Good!**"



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This ministry is a friend of the poor. You are the real heroes. You give, you pray, you expect great things from the Lord Jesus. Yes, and there is a return on your investment; it is from the greatest bank in the universe! We have hopes and plans to begin new programs in Cambodia, Ecuador, Moldova, and Guatemala this year. There are so many poor Christians that just need a little help. With your continued prayers and support, their prayers and dreams will become a reality. God bless you for your faithfulness.

Sincerely in Jesus,

Joseph E. Richter
Executive Director