

Taking Stock of the Microcredit Summit Campaign

**What Worked and What Didn't Work 1997-2006?
What is Needed 2007-2015?**

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Abstract

The Microcredit Summit Campaign ('the Campaign') has played a lead role in advocating for microfinance as one of the most important strategies to reduce poverty. This paper is the first of what the authors hope will be many initiatives to study the Campaign and its impact, and offers key insights about how a citizen-led process successfully establishes and meets a collective, global goal. It takes stock of the Campaign by evaluating what worked and what didn't work from 1997-2006. Results from interviews and a survey reveal that the Campaign represents more than a single organization and that its impact extends far beyond its original '100 million goal.' They further suggest that the Campaign has become a social movement that has markedly advanced the microfinance field over the past 10 years and fostered a productive learning community. The Campaign's advocacy has helped to build scalable, sustainable financial institutions that serve people living on less than \$1 day, a majority of which are self-employed women - arguably producing a 'tipping point' for the microfinance field. Accordingly, projections and recommendations for the Campaign's next undertaking from 2007 to 2015 build on a vision of how to realize even more challenging goals.

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Executive Summary

The Campaign as a Social Movement

The Microcredit Summit Campaign ('the Campaign') has played a lead role in advocating for microfinance as one of the most important strategies to reduce poverty. Campaign data indicate that while the initial '100 million' goal of the Campaign was a mammoth vision, participating microfinance institutions (MFIs) have converted much of its original audacity into quantifiable progress—making it one of the rare instances in history that the international community, led by civil society, set a collective, quantifiable, time-bound goal with global impact and has come close to achieving it on time. Moreover, the Campaign has grown to become a complex and collective social movement that supports a platform for united action now and in the future.

While three decades ago what we today call "microfinance" was still a small niche in the international development field, the Campaign has since helped to invigorate capitalism for the poor, providing many people access to financial services where free enterprise and opportunity would otherwise not exist. This is catalyzing a process which, when taken to scale, has the potential to transform the nature of gender and class roles as well as grassroots economies in a period of rapid globalization. The global Campaign deserves ample credit for helping to bring about –or come close to achieving – a 'tipping point' for the microfinance field. The Campaign represents a cooperative effort in leadership for the eradication of poverty worldwide through the use of microcredit.

The Campaign's Impact: Challenges and Successes

The data on the Campaign's outreach suggest that the multiple roles played by the Campaign—goal setter, progress counter, convener and conference organizer, political mobilizer and advocate, commissioner of new research and writings on core themes, packager of tools, information disseminator, and best practice trainer—have so far constituted an effective strategy. Indeed, the total number of clients reached by participating MFIs from 1999-2004 increased at an annual rate of 25.5% and the number of the poorest clients being reached increased at an annual rate of 30%.

Thought Leaders

Interviewed thought leaders agree that the major contribution of the MCS has been the constituency it built for microfinance: creating a network that was essential to galvanizing and sustaining a global microfinance movement and its deepening at the national and regional levels. In addition, a larger,

more engaged constituency has created what some field leaders believe to be a productive learning community. The Campaign's efforts in data collection are consistently mentioned as important, with many leaders arguing that it has brought accountability to the field. In fact, the majority of thought leaders expressed the view that the Campaign's accountability system was strong enough to be scaled up. Finally, nearly all thought leaders agreed that a key accomplishment of the MCS has been setting goals that ostensibly seemed impossible to meet and measure progress towards, and then developing the momentum and tools to make the goals a reality.

Survey Respondents

Similar to the interviewed thought leaders, respondents to our survey of over 50 campaign participants also indicated that the Campaign played an important role in the field. Across all regions, almost 90% of respondents indicated that they agreed or strongly agreed that the Campaign had had an impact with its regional and international summits and meetings. Nevertheless, increased public awareness about microfinance does not always translate into more effective policy-making and institution-building in different countries' financial sectors, according to some survey respondents. Similarly, survey respondents diverge from thought leaders in indicating that the MCS's tool dissemination work is not having a significant impact. Overall, however, enthusiasm for the larger goals of the MCS Campaign remains high: 91% of respondents agreed that the Campaign's goals for 2015 were "in the right direction" – i.e., consistent with their view of where the field should be headed. Respondents' answers imply that the MCS's most important role might be a broad, visionary one that builds and sustains momentum for the microfinance field.

Synthesis: What Worked and What Didn't 1997-2006

Despite its challenges, by all comparisons, the Campaign was—and is—a highly successful global advocacy movement. The Campaign has embraced and championed the social entrepreneurship inherent in microfinance for the poor by taking on difficult and sensitive topics - probably the three biggest being whether poverty-focused MFIs could be financially self-sufficient, the importance of setting aggressive goals, and methods to cost-effectively track progress toward the realization of such goals. The Campaign has dramatically changed thinking in these two critical areas. Furthermore, the Campaign data constitutes the first real 'bottom-up' census of the world's poorest. As a result, possibilities for greater insight exist in tracking their progress out of poverty.

A Scalable and Sustainable Model

Another important success of the Campaign is its promotion of microfinance as a *scalable and sustainable* model -- one that makes effective use of philanthropic funds and increasingly taps capital markets as MFIs go through their organization life cycle. This new model is more robust and in tune with the times than a traditional giving model that relies on aid donations and government institutions to deliver needed resources to the poor. It allows leapfrogging over some development stages. The Campaign has worked to organize the poorest people to access microcredit—providing a new platform for development.

This is critical progress: if you have strong organizations and institutions that directly focus on unleashing the potential of the poor, then you can build other products and services - financial and business (agricultural inputs, livestock and poultry services, retail marketing outlets, etc.) as well as non-financial (health, education, housing, water, sanitation, etc.) through a variety of approaches. Among others, MFIs can add on additional products and services, create independent enterprises, or partner with other organizations to provide wider and deeper access to the constellation of factors that help people eradicate poverty and improve the quality of life. The Campaign has given many opportunities for thought and practice leaders who are advancing the state of best practice regarding these combined approaches, which has led to their acceptance and adoption at an accelerated rate.

Institutionalization of Microfinance

Would the growth in MFI outreach have happened anyway, without the steady drumbeat of the Campaign? This is methodologically impossible to answer, as we cannot observe the counterfactual. The growth of microfinance has been fueled by several factors, including the passionate advocacy of a swelling movement to eradicate absolute poverty worldwide. Economies of scale exist where previously they didn't, which has allowed practitioners to explore new niche markets, develop innovative products, and experiment with different models. Certainly the market has become more efficient in this respect; while much work remains, better information flows have helped supply to catch up with demand. But there are also institutional and political factors that have 'greased the wheels' of the market in very significant ways. More governments have formally gone 'on record' to support microfinance, the UN has made explicit the connection between the MDGs and microfinance, and the US has passed legislation mandating that half of USAID's microfinance program support go to the poorest. Notably, the Campaign made a significant contribution in bringing about the UN Year of Microcredit and in galvanizing the support for the U.S. legislation.

The Next Campaign: A New Vision for 2007-2015

The key challenge for the Campaign in the years ahead will be to keep a global focus within the industry on measurably reducing absolute poverty as

the commercialization trend accelerates. We suggest the following areas are the most fruitful for development and investment—all of which are self-sustaining or ‘bottom up’ models of poverty alleviation—and should be included in the Campaign’s goals for 2015: integrating into the microfinance process healthcare, education, insurance, I.T. business development, and reproductive health services. As the industry rapidly grows and new entrants come in, there is a real possibility that an industry that is narrowly focused on short-term financial profits at the institutional (MFI) level will ‘crowd out’ the movement focused on profitability and transformation at the client level. Few if any organizations are better placed to ensure that this tension and the possible tradeoffs are debated thoroughly, with the needs of poor women and the requirements of the Millennium Development Goals serving as the background. The Campaign will need to promote the increasing efficiencies that get passed on to the customer in terms of lower interest rates, rather than only maximizing returns to shareholders and investors.

Multiple Approaches to Poverty Alleviation

Furthermore, we recommend that the Campaign continue its practice of supporting debate among those in the field who hold contrasting views. Given its second goal, the Campaign will have to think even harder about impact assessment, providing an excellent opportunity to work with researchers and others on this issue. At the same time, we feel that it is appropriate for the Campaign to continue to challenge those who want to pursue alternative methodologies at the expense of microfinance. We believe that there is more than enough room for multiple approaches. Microfinance represents one major contribution to the poverty problem, but it does not solve all problems – multiple approaches would solve multiple problems, particularly approaches that synergize with each other as microfinance clearly does in many cases. We think microfinance is the best entry point to a wider development strategy because it organizes the poorest in communities and focuses on what they are all most interested in: increased income.

Building Cohesion

We also recommend that the Campaign help to fairly and broadly distribute new opportunities and innovations across the field so as to build an even stronger movement to eradicate poverty. The Campaign’s real strength is banding together the industry in a global cause that enables it to overcome the tendency towards cynicism and transcend each of its many separate organizational goals. We strongly believe that without the Campaign building cohesion around a global social movement, each organization would have only been consumed with building its own capacity in an atomized industry. By building a movement, the Campaign has increased social and organizational capacity and created superadditivity – a ‘more than the sum of the parts’ community.

The Campaign’s Catalytic, Growing Role

The Campaign is truly a global movement based on the knowledge gained from poor women's survival skills and entrepreneurial abilities. It is well positioned—as a major node spanning diverse networks of practitioners, donors, academic institutions, and others—to be the perfect bridge to support these developments. Like few others, the Campaign has demonstrated that it can create the will to take an idea, most notably the ground-breaking 100 million goal, and catalyze the international community to work to achieve it despite very limited resources available to the Campaign.

Taking Stock of the Microcredit Summit Campaign

What Worked and What Didn't Work 1997-2005?

What is Needed 2006-2015?

Introduction

In 1997, a dozen heads of state and royalty¹ joined almost 3,000 participants from 137 countries meeting in Washington, D.C. for the world's first Microcredit Summit. During the Summit, all agreed on a common objective that truly qualified as a 'BHAG – a Big, Hairy, Audacious Goal':² reaching 100 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services by the end of 2005. Now, almost 10 years later, we take stock of the Microcredit Summit Campaign (referred to hereafter as the MCS Campaign, the MCS, or 'the Campaign') and its efforts to reach this goal by examining its history, the impact it has had so far, and the path forward.

The Campaign's latest published report states that by the end of 2004, 3,164 microfinance institutions (MFIs) had reported reaching over 92 million clients, two-thirds of which could be classified as 'poorest' when they took their first loan. Of these poorest clients, almost 85% were female. Based on the MCS's calculations, and assuming five persons per family, the 66.6 million poorest clients reached by the end of 2004 impacted approximately 333 million family members. Needless to say, these results are quite close to the Campaign's goal – and they are most probably an *underestimate of the total served by microfinance globally* given that they are based on data from only those MFIs that have reported their information to the MCS. Furthermore, based on current estimates, it is predicted that the Campaign's report as of December 2005 will show that MFIs reached over 120 million

¹ This number includes first ladies and former heads of state.

² Pronounced 'bee-hag,' BHAG is a concept from Jim Collins and Jerry Porras, authors of the bestseller, *Built to Last: Successful Habits of Visionary Companies* (Harper Business 1995).

clients, two-thirds of whom were among the poorest when they took their first loan.

It should be clear from these numbers that while the initial goal of the Campaign was a mammoth vision, incredibly, participating MFIs have converted much of its original audacity into quantifiable progress—*making it one of the rare instances in history that the international community, led by civil society, set a collective, quantifiable, time-bound goal with global implications and impact and has come close to achieving it on time.*³ Yet, despite the fact that many studies have examined collective action and international social movements⁴, there has been no attempt to study the Campaign specifically in this light. Thus, in this paper we endeavor to provide a more nuanced and comprehensive evaluation of the Campaign—one that gives meaning to the quantitative data and reveals broader aspects of the Campaign's impact.

A central point in our analysis is that *the Campaign has become a complex and collective entity of thousands of participants that, together, form a platform for united action.* This platform provided the social and political capital necessary for different members of what was once a new field to mobilize resources and areas of support, and ultimately realize the Campaign's goal. Accordingly, just as the Campaign represents more than just one organization, its impact extends far beyond the original '100 million goal.' For this reason, we delineate between the Campaign *as an organization* that has played a leading role in leveraging new ideas and transforming

³ We assume the numbers reported by MFIs to the MCS are reasonably accurate given the tactics it employed to increase transparency and peer accountability. The vast majority are verified by a 'third party' listed in the report. By publishing and widely disseminating the reported data, the MCS used the power of the microfinance field to 'self-police' its outreach numbers. Donors, investors, rating agencies and other MFI networks could investigate the veracity of any claim. Over time, new mechanisms to serve the industry will continue to emerge.

⁴ Research on collective action and international social movements abounds, particularly in the sociology literature, and includes work on indigenous movements, transnational movements, cultural movements, and grassroots movements. Studies of social innovation in the international development literature frequently mention microcredit as one of the global 'success stories.'

microcredit's role in international development and, on the other hand, a *collective social movement* that draws critically on all its participants to create enduring change in the microfinance field.⁵ Throughout the paper, we stress that *the Campaign represents a cooperative effort in leadership for the eradication of poverty worldwide through the use of microcredit*. Likewise, we emphasize some similarities between the Campaign and the high tech industry — which has embraced a similar 'coopetition' model where cooperation is used as a strategy to stay competitive.⁶

An outline of our paper is as follows: we begin by reviewing briefly the history of the field and the context in which the Campaign was born. We pay particular attention to the origins of the Campaign's organization—its leadership, strategies, and vision—and how it acted as an institutional entrepreneur for microfinance.⁷ Next, we examine the accomplishments of the Campaign by drawing on the results from a survey we conducted in May 2006 of a sample of Campaign participants—MFIs, academics institutions, researchers, general (non-microfinance specific) financial institutions, and advocacy groups—as well as interviews with some of the field's thought leaders.⁸ We then explore the larger impact of the civil society-led Campaign

⁵ We define the microfinance 'field' as constituting an even larger, interconnected and interpenetrated system of individual actors, organizations, norms, rules (e.g., legislation), and networks that exist in relation to one another. On the other hand, we define the microfinance 'industry' as consisting as for-profit and non-profit professional organizations which primarily define themselves as 'in the microfinance business.'

⁶ Examples of coopetition include building common operating standards and open source code. Many would argue that, if the high tech industry didn't take this "network" approach it would be more fragmented and even stunted. By cooperating, the industry has generated explosive growth and innovation. See AnnaLee Saxenian's book Regional Advantage: Culture and Competition in Silicon Valley and Route 128 (1994). A more recent paper by Saxenian et al. (2001), "'Old Economy' Inputs for 'New Economy' Outcomes: Cluster Formation in the New Silicon Valleys," can be found at <http://www.sims.berkeley.edu/~anno/papers/oldeconomyneweconomy.pdf>.

⁷ The specific concept of 'institutional entrepreneurship' is used to discuss the activities of actors who have an interest in a particular institutional arrangement and who leverage resources to create new institutions or to transform existing ones (Maguire et al. 2004; DiMaggio 1988; Fligstein 1997; Rao, Morrill & Zald 2000). In this paper, we make the case that the MCS is also led by a social entrepreneur, Sam Daly-Harris.

⁸ The methodology employed in this paper was designed to yield a broad range of views on the Campaign, in addition to more in-depth knowledge of its role in the field. We chose to survey participants in the Campaign, not non-participants or the general public, to assess the MCS's impact. In May 2005, surveys in English, Spanish, and French were sent to approximately 200 Campaign participants. The MCS helped us to identify the top MFIs (by

as one of the most important social movements in international development, and the more specific role it plays the microfinance industry and field. Lastly, we look to the future and the potential impact of the Campaign's new goals for 2015. We discuss the ways in which the Campaign will continue to contribute to microfinance's growing legitimacy by bridging between diverse stakeholders, brokering new ideas about the role of microfinance in poverty alleviation and reaching women, and helping to institutionalize these ideas by connecting them to the overarching mission of international development.

Throughout, we investigate the ways the Campaign has galvanized diverse stakeholders to invest in microfinance as a strategy to reduce poverty while also discussing the criticism the Campaign has received. We make the case that *the MCS Campaign has invigorated capitalism for the poor and provided many people access to financial services where free enterprise and opportunity would otherwise not exist*. We further argue that this is catalyzing a process which, when taken to scale, has the potential to transform the nature of gender and class roles as well as grassroots economies in a period of rapid globalization. Finally, we suggest that this *global Campaign deserves ample credit for helping to bring about –or come close to achieving – a 'tipping point' for the microfinance field*. Four main questions guide our paper:

1. What was the context (the state of the microfinance movement, industry and field) in which the Campaign began and how did it influence its strategies for reaching the 100 million poorest goal?
2. How has the role of the Campaign—as a global social movement and as an organization—evolved since 1995?

outreach in each region) that participate in MCS, as well as participants from several MCS councils, and surveys were sent out accordingly. Over 50 people—most of which worked at MFIs—had responded to the survey by the end of June, yielding a response rate of approximately 30%. Interviews with nine thought leaders were conducted by Rooy Media. The thought leaders were identified by MCS Campaign staff and the transcripts were generously made available to us. We also held independent conversations throughout the process of writing this paper. The survey used in this paper was sent to approximately 200 people in May 2006.

3. What are the perceived contributions and failures of the Campaign and what has been its overall impact?
4. What should be the role of the Campaign during its next iteration, from 2007-2015?

Why the Microcredit Summit Campaign?

A. Brief History

Much has changed in the landscape of financial services for the least privileged in the world's economic hierarchy. Three decades ago, when the field's pioneers were promoting microcredit as a poverty eradication strategy, microfinance was still a small niche in the international development field.⁹ In fact, the terms 'microfinance' and 'microcredit' did not come into wide use until the mid-1990s. Its origins were fueled by a number of successful independent 'experiments' that were designed to increase financial sector access for the poor including, among others, Acción International's initial work in Brazil in the 1970s;¹⁰ the founding of SEWA Bank in 1974;¹¹ the start

⁹ Some scholars suggest that microcredit and microfinance has a much longer history than the last 3 decades depending on how it is defined. For example, Seibel (2003) suggests that its beginnings in Europe were "informal and small-scale" and attributable to "tremendous increases in poverty since the 16th century" (pp. 1). Van Bastelaer's article, "Does Social Capital Facilitate the Poor's Access to Credit" also provides relevant information on the history of microcredit. In this paper we are specifically referring to the microfinance field that, in the 20th century, coalesced around the central idea of increasing financial market access for the poor, particularly collateral-free credit for the poorest in developing countries. Members of the field 3-4 decades ago were not likely conscious of any prior history, nor if they did, thought that it relevant. A more thorough investigation of microfinance's history is beyond the scope of this paper. Interested readers can refer to Seibel's paper, <http://www.uni-koeln.de/ew-fak/aef/08-2005/2003-5%20History%20matters.pdf>, or to van Bastelaer's paper, <http://www.irisprojects.umd.edu/socat/papers/SCI-WPS-08.pdf> for more information.

¹⁰ Acción International was founded in 1961 by Joseph Blatchford with projects in Peru, Venezuela, Colombia, and Brazil. However, it wasn't until 1973 that Acción's initiated its first microlending program in Recife, Brazil. The organization's website says, "[t]he experiment in Recife was a success. Within four years, the organization had provided 885 loans, helping to create or stabilize 1,386 new jobs." See http://www.accion.org/about_our_history.asp for more information.

¹¹ SEWA was founded in 1972 by Ela Bhatt as a trade union that supports working women in "development" and "struggle" activities. SEWA Bank, a sister institution, was created in 1974 and savings and lending products and services to poor women entrepreneurs. See <http://www.usaidmicro.org/pdfs/aims/india.pdf> for an informative AIMS study of SEWA from 1999. See <http://www.sewabank.org/> for the organization's website.

of the Grameen Bank project in 1976;¹² the launch of Women's World Banking (WWB) in 1979;¹³ and FINCA's implementation of village banking in the 1980s.¹⁴ Important work was also pioneered by nongovernmental institutions (NGOs) and commercial banks such as Bank Rakyat Indonesia microbanking (Unit *Desa*)¹⁵, K-Rep (Kenya), and Podem/Banco Sol (Bolivia). Each of these organizations demonstrated different, innovative ways to open up formal financial sectors to the poor.¹⁶

Nevertheless, a microfinance 'field' was just beginning to develop and a globally orchestrated *movement* was only in its nascent stages. Many experts, for example, believed that the demand for financial services amongst the poor (especially women) far exceeded supply – but there wasn't yet an industry to resolve the shortage. Multi-donor organizations such as the Consultative Group to Assist the Poorest (CGAP),¹⁷ which tried to scale microfinance to widen the market for microfinance, were just beginning to form in 1995.¹⁸ Likewise, the demand for trained microfinance practitioners

¹² Professor Muhammad Yunus began the Grameen Bank Project in 1976 in Bangladesh. The project became a full-fledged bank owned and governed primarily by its very poor members. It now serves over 6 million borrowers in Bangladesh and has been replicated or emulated in over 100 countries.

¹³ Ela Bhatt from India, Ester Ocloo from Ghana and Michaela Walsh from the US met at the 1975 World Conference on Women in Mexico City and agreed to form an organization to increase women's access to credit. Walsh registered and led Women's World Banking from 1979 to 1990 as it developed some 50 affiliates in 40 countries. Bhatt and Ocloo served on its board.

¹⁴ Founded by John Hatch in 1984, FINCA is a nonprofit agency best known for having pioneered the "Village Banking method"—one of the major forms of microcredit—and for leadership in microfinance overall. FINCA stands for the Foundation for International Community Assistance. See www.villagebanking.org.

¹⁵ For information on BRI, see Marguerite S. Robinson, *The Microfinance Revolution: Sustainable Finance for the Poor –Lessons from Indonesia, the Emerging Industry*, The World Bank and Open Society Institute, 2001.

¹⁶ CGAP Focus Note No. 1 (1998) makes reference to these institutions. See: http://www.cgap.org/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/Documents/FocusNote_01.pdf.

¹⁷ CGAP was originally launched in 1995 as the "Consultative Group to Assist the Poorest." It is now called the "Consultative Group to Assist the Poor." It currently consists of the Consultative Group of Member Donors, the Executive Committee, the Investment Committee, and the CGAP staff.

¹⁸ In Focus Note No. 1 (1998), CGAP writes that "despite growing numbers of microfinance institutions (MFIs), back-of-the-envelope calculations indicate that 2 percent of the total market for microfinance services. The Consultative Group to Assist the Poorest (CGAP) is a multi-donor effort to broaden and deepen the success of the work done by pioneer institutions..." See

was also exceeding supply. Whereas just 20 years ago few academic institutions offered degree programs—or even classes—in what we now call microfinance, today a simple Google search will yield a plethora of options for professional study, from MBA programs to courses in microfinance training.¹⁹ Furthermore, the impact of microfinance and the practices of microfinance institutions (MFIs) were previously very difficult to track. No institution assembled this information in a single place, not even donor advocates. Similarly, there were no overarching objectives or vision that bounded the field together. While, by 2005, dramatic progress would indeed be made in expanding financial sector access, the climate and context in which the Campaign was formed was comparably inchoate.²⁰

Poor women's effective use of microcredit was central to the building of a global microfinance field, championed by advocates in the women's rights and social justice movements. In 1995, two years before the first Microcredit Summit, the United Nations (UN) organized a series of summits and conferences that culminated in the gathering of the largest number of heads of state, government representatives, and civil society participants to develop action plans to solve the problems of the most vulnerable, the unemployed, and the socially excluded.²¹ One of these conferences was the

http://www.cgap.org/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/Documents/FocusNote_01.pdf.

¹⁹ For example, the Microenterprise Development Institute -- New Hampshire (MDI-NH) was founded in 1999 and the Microfinance Management Institute was founded in 2003. The latter's webpage indicates, "Leading experts in microfinance agree that insufficient management capacity and a relative dearth of technically skilled human resources are among the key constraints to the growth and outreach of the global microfinance sector" (<http://www.themfmi.org/aboutMFMI.php>). In addition, U.S. universities such as Tufts University, American University, and the George Washington University have all begun to offer courses in microfinance.

²⁰ The trajectory for microfinance is not unlike the birth of many industries and new fields. For example, consider the history of the internet, which had its first public debut as ARVANET in 1972, and the development of the World Wide Web in the early 90s; there is an inflection point of in the birth of new industries and the exponential growth since the founding of Google in 1997.

²¹ The World Summit on Social Development was held in March 1995 in Copenhagen after holding three preparatory committee meetings ('prep coms') and the United Nations' 50th Anniversary Summit was held in New York in October 1995. Both were record-setting gatherings of heads of state exceeded only in 2000 at the UN Millennium Summit. The UN Fourth World Conference on Women in Beijing brought together an estimated 50,000 people, mostly women from across the globe, including 189 governments, and 5,000 representatives

UN Fourth Conference on Women in Beijing, where women were considered a special topic because of lingering widespread inequalities, poverty, oppression, violence, and discrimination.

It was during this conference, held in 1995, that women's role in the labor market, particularly the informal labor market, began to receive increased international attention.²² Although the role of female labor in developing countries had been slowly changing since the 1970s, the idea of the female 'entrepreneur' was relatively new and growing quickly. Perhaps it is not surprising, then, that microcredit—which several MFIs had already shown to be an effective strategy to support poor, self-employed working women—started to receive increased interest and consideration in international development debates. Nevertheless, governments failed to agree on any measurable goal or specific action.²³

B. Setting the 100 Million Goal²⁴

Seeing momentum for women and microfinance build around the UN Beijing Conference but with no clearly quantifiable objectives yet to be set, FINCA founder John Hatch—who had seen his organization's village banking methodology, as well as Grameen's, begin to spread around the world, especially among women—wrote a bold new concept paper in 1994 about holding a microcredit summit 'gathering' that would endorse a global goal of reaching 200 million of the world's poorest people with microcredit. Hatch,

from 2,100 non-governmental organizations (International Institute for Sustainable Development, 2000)

²² Key recommendations related to women and labor in the Beijing Platform for Action include: facilitating women's equal access to resources, employment, markets and trade; eliminating occupational segregation and all other forms of employment discrimination; and promoting women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources. See <http://www.un.org/womenwatch/daw/beijing/platform/index.html> for more information.

²³ The International Coalition on Women and Credit, which was—and still is—comprised of some of the world's leading microfinance institutions, participated in the Beijing process and raised awareness about women and microcredit. Since 1994, Women's World Banking WWB has served as its Secretariat.

²⁴ Much of the information in this section is based on conversations with Sam Daley-Harris and his book, *Reclaiming Our Democracy* (Camino Books 2004).

then a member of the Board of Directors of RESULTS,²⁵ a political advocacy organization to generate the will to end hunger, shared the paper with Sam Daley-Harris, President of RESULTS and (subsequently) the founding Director of the Microcredit Summit Campaign. Daley-Harris, inspired by the goal, showed it to Grameen Bank founder Muhammad Yunus, also an active member of the RESULTS Board.²⁶ Yunus embraced the goal, but recommended that it be reduced to a more achievable 100 million families. With 100 million in mind, Daley-Harris—also a social entrepreneur like Hatch and Yunus—moved into action despite the fact that many people advised him to further reduce the goal by as much as a half.

To take on the challenge of reaching this unprecedented goal, Daley-Harris decided to organize a citizen's process that would 'mimic' the UN summit process by holding preparatory committee meetings ('prep coms') to negotiate an action plan and organizing a global summit for 1997. According to Daley-Harris, in 1995 the UN lacked an agency that could advocate for microcredit with an authority equal to, for example, children's well-being (UNICEF); reproductive health issues (UN Population Fund); and the planet's environment (UN Environmental Program).²⁷ Thus, in a bold attempt to increase microfinance's advocacy, Daley-Harris organized the first prep com of the Microcredit Summit Campaign in November 1995 with more than 100

²⁵ The RESULTS Educational Fund, the sister organization of RESULTS that counts the Microcredit Summit Campaign as its project, "is committed to educating the public, the media, and leaders about issues related to poverty and hunger in the United States and abroad." See <http://www.results.org/website/article.asp?id=19> for more information.

²⁶ RESULTS first learned of the Grameen Bank in 1985 and was introduced to Dr. Muhammad Yunus in 1986 when he spoke before a joint session of the House Banking Subcommittee on International Development Institutions and Finance and the House Select Committee on Hunger. In 1990, 60 Minutes did a feature on Grameen Bank on which it was noted that "Yunus was leading a movement that goes beyond the borders of Bangladesh." He established Grameen Trust in 1989 and began publishing Grameen Dialogue to support those interested in replicating the Grameen approach around the world. See Khalid Shams (editor) "Emerging Ideas, Concepts and Theories: How the Message of Grameencredit Spread around the World," and "The Replication Experience," in Volumes I and II respectively of Collected Essays and Stories from Grameen Dialogue newsletter issues 1-50, Grameen Trust, 2005.

²⁷ The ILO, IFAD, UNDP, UNIFEM, UNCDF and World Bank were all involved but did not have a coordinating mechanism or single 'voice' on microfinance. While Daley-Harris tried to include the 100 million goal in the objectives of the 1995 Social Summit in Copenhagen, it was too late in the negotiating process and he was told at that time that they were not accepting new goals. Information taken from a new chapter written in 2004 for the 10th anniversary edition of *Reclaiming Our Democracy*.

participating to begin drafting an action plan.²⁸ Importantly, he had assembled an Organizing Committee that accepted the goal as given.²⁹ The three core themes at the start were a focus on women, the poorest, and developing financial self-sufficient institutions to deliver credit and other business and financial services.

These themes were built around prevailing 'myths' of which, according to the MCS, three were particularly damaging to the field:³⁰

- *Myth 1:* Microfinance institutions cannot reach the poorest because they are too costly to identify and motivate.
- *Myth 2:* If any institution succeeds in reaching the very poor, it cannot become financially self-sufficient.
- *Myth 3:* An institution that somehow manages to reach the very poor and become financially self-sufficient will only be adding a debt burden to those families.

By using these myths and the need to challenge them as a framework, the MCS was working to ensure a quality component to match the quantity component of its 100 million goal. For example, if 100 million were reached, but none were the very poor, few were women, and financial institutions were unsustainable in the long run, then reaching the goal would not have the kind of deep, long run effect on reducing poverty that was sought. This strategy was a significant shift away from the way traditional aid agencies supported 'projects'—which was usually for three years—*toward one of building sustainable, scalable financial institutions.* In the case of Grameen

²⁸ John Hatch's original 6-page paper, which was based on the 200 million goal was used as a first draft for what would eventually become the 50+ page MCS Declaration and Plan of Action.

²⁹ The first Organizing Committee was comprised of John Hatch, founder of FINCA; Muhammad Yunus, founder of Grameen Bank; Ismail Serageldin, then-VP of the World Bank; Nancy Barry, then-President of Women's World Banking; Ela Bhatt, founder of SEWA; Margaret Catley-Carlson, then-President of the Population Council; Michael Chu, then-President of ACCION; Connie Evans, then-President of Women's Self-Employment Project; William Foege, then-President of the Carter Center; Wakako Hironaka, Japan House of Councilors; Ellen Johnson Sirleaf; then-Assistant Administrator for Africa of UNDP (now President of Liberia); Kathy Waldron, then-Vice-President of Citibank.

³⁰ See State of Microcredit Summit Report 2005, pp. 11.

and SEWA banks, these were even owned and governed by the women themselves. Furthermore, by deliberately calling into question some of the field's dominant ideologies, the Campaign could juxtapose them with alternatives and re-frame them as opportunities to 'do better.' The Campaign didn't ignore the field's myths, but rather incorporated them into their plan of action and strategy.

After the first prep com, Daley-Harris and his Organizing Committee were challenged at a meeting in the UK in 1996 about their inherent assumption that there would be impact; subsequently, the MCS added a fourth core theme—achieving impact—at its second prep com in November 1996. Also at the second prep com, some participants attempted to change the name of the Campaign from microcredit to microfinance. However, Yunus and other Campaign participants resisted the change on the grounds that progress should be measured by how many people actually receive a loan for productive purposes and whether they met the agreed definition of 'poorest' at that time – not how many people have savings accounts, access to training, or other business development and financial services. In their view, it was not a debate about the inclusiveness of microfinance or what poor people need and, as a result, the 'microcredit' name remained in tact.³¹ Here again is an example of how the MCS challenged the dominant rhetoric in the field and showed how it actually contained the full potential of what could be achieved with microfinance.

³¹ Confusion in the field over what kind of access the poor has to financial services persists. Before publishing an Occasional Paper (no. 8) on the future of microfinance, CGAP found that the paper's findings were being so misinterpreted that it requested that it not be cited without clarification of the following point: "there are over 750 million accounts in various classes of financial institutions... generally aimed at markets below the level of commercial banks, and that some substantial fraction of these institutions' clients are probably poor or near-poor...the message is not that the task is nearly done...but rather that these institutions represent an important potential opportunity" (p. 1). A link to the full paper, published in July 2004, can be found at www.cgap.org/docs/OccasionalPaper_8.pdf. In terms of progress toward its goal, the MCS counts clients with a current loan. The MCS asks practitioners to report how many savers they have, as well as their average savings; however, this information is not counted toward the goal based on a conscious decision to reach the poor with, specifically, *credit*.

In addition, the Campaign had to clarify what it meant to reach the 'poorest families' – an issue on which it "would not buckle."³² Directly calling into question all the myths (especially myth two) the Campaign was vigilant about the importance of prioritizing and being rigorous about measuring progress towards the goal of scaling up to reach the poorest – igniting a debate that cast the Campaign as "an inspiration to some and an irritant to others."³³ In its Declaration and Plan of Action, the Campaign elected to adopt the definition adopted by the Policy Advisory Group (PAG) of the Consultative Group to Assist the Poorest (CGAP) during the time it was chaired by Muhammad Yunus. The PAG had defined "the poor as those people living below the poverty line established by each country, and the poorest as those people in the bottom fifty percent of that group."³⁴ For example, at that time in India, 35% of the population (approximately 333 million people) was living below the government's (national) poverty line.³⁵ Thus, according to this definition of 'poorest,' half of them, or approximately 165 million people, would be the priority market in India to receive microcredit and contribute to achieving the 100 million family goal of the Campaign. An estimation of India's poverty in 1996 using the so-called 'international poverty line,' reveals that approximately 400 million were living below a \$1/day.³⁶ Globally, the World Bank estimates that there were at least 1 billion people living below \$1/day.³⁷

³² Citation taken from a new chapter written for the 10th anniversary edition of *Reclaiming Our Democracy* (Camino Books 2004) by Sam Daley-Harris.

³³ Ibid.

³⁴ Please see footnote 12 for more information on CGAP. It is noteworthy that in 2004, the U.S. Congress passed the *Microenterprise Results and Accountability Act*, which defines the 'very poor' as those living on less than US\$1 per day per capita -- adjusted for purchasing power parity (PPP) -- or those who are in the bottom half of those under the poverty line in their country.

³⁵ Statistics from World Health Organization; please see <http://w3.who.org/eip/tab19.htm> for more information. The poverty line used by the Indian government is defined in terms of the per capita monthly expenditure required to attain some basic nutritional norm. While the calorie norm was fixed at 2400 kcal per capita in the rural areas and 2100 kcal per capita in the urban areas, in 1993, the Planning Commission of India decided to have separate poverty lines for each state (Dhonde 2003). For this reason, national averages should be interpreted cautiously.

³⁶ Information from UN Common Database (UNCDB) and is based on a series from the World Bank's World Development Indicators (WDIs). In 1996, the percent of India's population living under \$1/day was estimated to be 42.25%. The World Bank uses the "less than \$1 per day threshold" (which is \$1.08 in 1993 dollars, adjusted to account for differences in purchasing

C. The Role of the MCS Campaign as a Social Movement

Following the two challenging prep coms, which ultimately served to clarify some of the tensions surrounding the exact specification of the goals through debate and exchange, the MCS convened the original Microcredit Summit in Washington, DC in 1997. As indicated at the beginning of the paper, the Summit was a pivotal event for the field, helping to form a basis for collective action that would eventually become the backbone of the microfinance movement. The watershed gathering is widely cited as a landmark event in the history of microfinance and changes were felt almost immediately, as well as in the years to follow, throughout the world.³⁸ Although it is impossible to isolate its specific impact, the MCS Campaign deserves significant recognition for generating a global 'carambola' effect that created an unprecedented mobilizing platform for its emergence as a social movement.³⁹ Indeed, a definition of social movements provided by well-known social movement theorists, "organized collective endeavors to solve social problems,"⁴⁰ aptly captures the Campaign's role. More specifically, the Summit came to represent the convergence of three instrumental factors in the emergence and development of social movements: mobilizing structures (by strengthening the networks of organizations and individuals in the field), political opportunities (by generating unprecedented international exposure), and framing processes (by giving the field a goal to rally around).⁴¹

power across countries) to define extreme poverty. It should be noted that there is debate in the international development community about the validity and utility of the \$1/day measure, despite the fact that it is widely used.

³⁷ An excellent overview of world poverty statistics from 1981 to 2001 can be found at http://devdata.worldbank.org/wdipdfs/table2_5.pdf.

³⁸ By 2000, for example, the UN had voted to amend the Beijing Declaration and Platform for Action and use the term "microcredit" in several recommendations. This resolution was adopted by the General Assembly during the twenty-third special session, 10th plenary meeting, June 10th, 2000.

³⁹ Carambola is a Spanish word meaning, in billiards, to strike one ball so that it hits two other critical balls in a single shot.

⁴⁰ Rao, Morrill, and Zald (2000: pp. 244).

⁴¹ Adopted from McAdam, McCarthy, and Zald (1996: pp. 2) and Scott et al. (2000: pp. 170).

With a global movement galvanized, the Campaign increased the post-Summit momentum by working to legitimize and institutionalize microfinance and, more specifically, the Campaign's goals. For example, it took a lead role in disseminating and interpreting the growing amount of available data on the impact of microcredit. Several organizations and institutions were already involved in impact assessment; for example, the United States Agency for International Development (USAID) began implementing its well-known Assessing the Impacts of Microenterprise Services (AIMS) Project in 1995 to assist practitioners with new tools for measuring impact and evaluating institutional effectiveness. Meanwhile, academics explored new econometric modeling techniques for studying microfinance impact, in addition to qualitative, anthropological studies of borrowers and their families. One of the most influential quantitative studies was conducted by World Bank economist Shahidur Khandker, whose study with Brown University economist Mark Pitt, "The Impact of Group-Based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter" (1998), used a quasi-experimental design that was novel for its econometric sophistication in addressing causality.⁴² Helen Todd's book, *Women at the Center* (1996), which employed an ethnographic approach to the study of microfinance's impact on women, was also influential for producing important results regarding poverty, nutrition, and schooling differences between Grameen Bank households and comparison groups.⁴³

⁴² Although the paper was challenged based on its model and data, it encouraged many other scholars to apply similar—and even more sophisticated modeling techniques. Furthermore, Khandker et al. eventually improved their model, published in 2005 as an update to the study, "Micro-finance and Poverty: Evidence Using Panel Data from Bangladesh." Please see Nathanael Goldberg's excellent review of the impact literature, "Measuring the Impact of Microfinance: Taking Stock of What We Know" (2005), available at <http://www.gfusa.org/pubdownload/~pubid=29>.

⁴³ While Todd tried to choose representative villages for her study, her objective was not to estimate the impact of microcredit on the average borrower (Goldberg 2005).

The Campaign was instrumental in supporting a productive debate on these kinds of studies by commissioning papers on impact assessment,⁴⁴ featuring impact projects in its widely-circulated newsletter,⁴⁵ and convening annual meetings. Women's high loan repayment rates, which were noted consistently in the Campaign's annual reports, also attracted attention and demanded that the entrepreneurial and financial skills of women be taken seriously by the international development community. However, the Campaign also made it clear that, while it believed in helping aid agencies and academics to improve impact studies of microcredit—which is a constant struggle between rigor and cost-effectiveness—this would not come at the expense of slowing down the movement or delaying the expansion of the field. For the Campaign, the overall evidence of the impact of microcredit as reported by MFIs spoke for itself. And increasingly, the field—and the wider public—began to understand and observe powerful connections between the use of microfinance and household gains in, for example, education, nutrition, and ability to mitigate family crises.

The Campaign, despite the fact that it was a citizen-led process, not an intergovernmental one, also benefited from the involvement of the UN and its member states during and after the 1997 Summit. For example, several heads of state and the head of the UNDP, UNIFEM, IFAD, and the ILO all spoke at the Summit. Moreover the MCS Advisory Council has had the participation of the heads of governments from Peru and Mexico and ILO's Juan Somavia, IFAD's Lanart Bage, and UNIFEM's Noeleen Heyzer. Furthermore, in December 1997, the UN General Assembly passed resolution 52/194 on the role of microcredit in the eradication of poverty and, in 1998, the UN General Assembly passed resolution 53/197 declaring 2005 the International Year of Microcredit.⁴⁶ In the Programme of Action for the

⁴⁴ See Susy Cheston and Larry Reed's paper (1999) at <http://www.microcreditsummit.org/papers/impactpaperH.htm>.

⁴⁵ For an example, see Monique Cohen's commentary at <http://www.microcreditsummit.org/newsletter/best7.htm>.

⁴⁶ Both resolution 52/194 and 53/197 were introduced by Ambassador Anwarul Chowdhury, who was at the time representing Bangladesh. He had participated in the Microcredit Summit

International Year of Microcredit, the General Assembly recognized “the need to facilitate the access of people living in poverty, especially women, to microcredit and microfinance to enable them to undertake microenterprises so as to generate self-employment and contribute to empowerment.” It moreover emphasized that the observance of the UN Year will “provide a significant opportunity to raise awareness of the importance of microcredit and microfinance in the eradication of poverty, to share good practices and to further enhance financial sector developments that support sustainable pro-poor financial services in all countries” and invited “Member States, relevant organizations of the UN system, non-governmental organizations, the private sector, and civil society to collaborate in preparation for the observance of the Year and to raise public awareness and knowledge about microcredit and microfinance.”⁴⁷

The UN prepared to observe the Year in 2005, with UNCDF serving as its secretariat, by forming an International Advisory Council and agreeing on objectives. In contrast to the MCS Campaign, it did not include any quantity-driven goals. Instead, the UN established the following goals in 2004 that would be implemented according to member state and national committee priorities: (1) assess and promote the contribution of microfinance and microcredit to the Millennium Development Goals; (2) increase public awareness and understanding of microfinance and microcredit as vital parts of the development equation; (3) promote inclusive financial sectors; (4) support sustainable access to financial services; and (5) encourage innovation and new partnerships by promoting and supporting strategic

in November 1997 and was instrumental in securing the participation of Bangladesh’s Prime Minister, H.E. Sheikh Hasina. He consulted with Muhammad Yunus and Sam Daley-Harris on the idea and strategy for both UN resolutions, resulting in the decision to designate 2005, the last year of the Campaign, as the International Year of Microcredit. Both UN resolutions make specific reference to the MCS Campaign and its goal. The UN had also declared 1997-2006 as the first United Nations Decade for the Eradication of Poverty. Ambassador Chowdhury also arranged to have all the Summit documents translated into all six UN languages.

⁴⁷ Citation taken from Resolution 58/221, Programme of Action for the International Year of Microcredit, which was adopted December 2003. Please see <http://daccessdds.un.org/doc/UNDOC/GEN/N03/507/78/PDF/N0350778.pdf> for the full text of the resolution.

partnerships to build and expand the outreach and successes of microcredit and microfinance.

By most all accounts, the UN Year was successful in raising greater awareness to a wider spectrum of public and private sector actors about the need for inclusive financial services.⁴⁸ Among other effective strategies, it made it relatively easy for microfinance-related events – even small ones – held that year to get accreditation from the Secretariat, which increased buy-in and awareness significantly.⁴⁹ The Year was also extremely important to the Campaign, and vice versa, because the UN formally recognized that access to microcredit and microfinance can contribute to achieving the goals and targets of major United Nations conferences and summits, including those contained in the United Nations Millennium Declaration, and “in particular the targets relating to poverty eradication, gender equality, and the empowerment of women.”⁵⁰ The objectives of the Year confirmed the fact that the Campaign, as a movement, had been legitimized by global institutions. The Campaign had not only convinced many that microcredit is a materially important strategy—if not the most important one to alleviate poverty, then possibly among the most scalable strategies—but had also institutionalized progress toward its 100 million goal.

Further legitimization of the Campaign came from an ideological strategy it had pursued from the beginning, which was based on its ‘novel’ view of microcredit. For the Campaign, advocating for microcredit meant helping people to understand how it is an *inclusive* mobilizing structure to fight

⁴⁸ The final report on the UN Year can be found online at http://www.unctf.org/english/microfinance/documents_and_reports/thematic_papers/yom2005/ and information from the Year’s final meeting in November 2005, “Forum to Build Inclusive Financial Sectors,” can be found at http://www.yearofmicrocredit.org/pages/getinvolved/getinvolved_forum2005.asp.

⁴⁹ There were arguably more microfinance events, including conferences, in 2005 than in any previous year.

⁵⁰ Citation taken from Resolution 58/221, Programme of Action for the International Year of Microcredit, 2005, which was adopted December 2003. Please see <http://daccessdds.un.org/doc/UNDOC/GEN/N03/507/78/PDF/N0350778.pdf?OpenElement> for the full text of the resolution.

poverty – a foundational development strategy that can lead to broad, long run socioeconomic progress for the poor. This was powerful because, one, it freed people from thinking of international development as a zero-sum game and, two, it led to more flexibility and innovation based on the idea that microfinance could be paired different elements of development to help scale impact. While many in the field acknowledged that microcredit was not a perfect solution, nor a fully validated one, it was thought to be better than most others available precisely because it did not preclude other development methodologies from having impact. The Campaign built on this reasoning and forced the field to ask the question, “Given our imperfect knowledge and the limited financial resources for development, what is a better alternative to microcredit for reducing world poverty?” The movement the Campaign built is directly based on the idea that microcredit is one of the most effective investments for international development today – whether or not used in conjunction with other anti-poverty strategies.

The Campaign’s Impact: Challenges and Successes

Ultimately, the social movement galvanized by the Summit provoked far-reaching institutional changes. As an organization, the Campaign built on its rapidly growing networks and involved new entrants by spreading the message of its goal and tracking the data on its progress. Nevertheless, despite this broad global advocacy movement—or perhaps because of it—some of its impact started to become more contentious.

A more diverse movement would necessarily bring contrasting views on how best to lead the field into stark relief. And it is hardly a secret that the Campaign has consistently sought to bring those with opposing perspectives together in an effort to create constructive dialogue. It made great efforts to secure speakers who could articulate the case for prioritizing the poorest and ensuring impact while giving those with opposing views a chance to challenge those priorities. Sometimes, these sessions would result in agreement on

new ideas or approaches that were previously seen as conflictive. In many other cases, people with opposing views simply aired their perspectives and received feedback from other members of the field. The net effect of this strategy was that the Campaign's role has not been without controversy.

What do these tensions reveal about the role of the Campaign in the field and the Campaign's impact – now and in the future? On the one hand, the Campaign has had impact by playing a unifying role: setting common objectives, bringing people together at its regional and global meetings, and reaching out to all a broad spectrum of thought and practice leaders as well as policy-makers in ways that were more often than not, highly inclusive. From the beginning, the Campaign has challenged everyone involved in microfinance to think harder about how to measure and achieve progress – a point that Daley-Harris duly notes: "I felt it was essential to work though the issues – and there were many."⁵¹ Yet, on the other hand, the Campaign has also at times been a polarizing force in the field since there a few key issues that its members would not allow to be oversimplified or 'fudged' to reflect more popular, 'least common denominator' views. To this point, the MCS has faced some criticism for making it difficult for those with goals or delivery methodologies that were not consistent with the Campaign's to feel a part of it.

Clearly, the Campaign fulfilled a unique and needed niche when it was first formed, which generated a quantum leap in terms of awareness of microfinance as an anti-poverty strategy that could be scaled up. No other entity at the time had successfully held an event like the Summit, nor set such an aggressive goal. But how has that role evolved and what is the Campaign's unique value-added today, as the field becomes more complex with the entrance of profit-oriented private sector players and the development of new funds, specialized rating agencies, and credit bureaus

⁵¹ Excerpt from a new chapter written for the 10th anniversary edition of *Reclaiming Our Democracy* (Camino Books 2004) by Sam Daley-Harris.

and a real commercial industry takes shape? These are key and still unanswered questions as the Campaign looks to the future – especially now that the field has become more ambitious, with the focus now on achieving the Millennium Development Goals (MDGs) by 2015.⁵²

A. The Campaign's Organization and Strategies for Impact

To date, the MCS Campaign, as an organization, has used a variety of strategies and tactics to catalyze accelerated collective action towards reaching the 100 million goal and create impact in other areas. It has organized more than a dozen councils of peers⁵³ and pressed for their submission of MCS Action Plans, while also commissioning papers and books on central themes. It has held plenary sessions in multiple languages and recorded all the sessions so that the learning would be captured and accessible to those not in attendance. Furthermore, it has generated significant new attention and learning opportunities related to popularizing existing poverty assessment tools; conducted workshops around the world where it introduced thousands to the use of those tools; and published annual monitoring reports that generated enthusiasm (and a spirit of progress and teamwork) among practitioners as well as press coverage globally.

In addition, the Campaign has built a mailing list of over 10,000 and regularly communicates by email in at least three languages. The MCS e-news bulletin, for example, which includes excerpts of workshop sessions on good practice, is delivered in four languages to 14,000 leaders—the largest circulation in the field. Finally, the Campaign's meetings are the most highly

⁵² The eight Millennium Development Goals (MDGs) – which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – “form a blueprint agreed to by all the world's countries and all the world's leading development institutions” (<http://www.un.org/millenniumgoals/>).

⁵³ The MCS Councils include: Heads of State and Government; International Financial Institutions; UN Agencies; Donor Agencies; Domestic Government Agencies; Parliamentarians; Corporations; Advocates; Non-governmental Organizations; Religious Institutions; Practitioners; Educational Institutions; Banks and Commercial Finance Institutions; Service Clubs; and Foundations and Philanthropists.

attended in this field with 2,000-3,000 participating in the global Summits and 800-1,200 attending the regional summits (see Table 1) held around the world, from Santiago, Chile to Dhaka, Bangladesh, to Abidjan, Cote D'Ivoire.

Table 1

<u>Year</u>	<u>Meeting</u>	<u>Site</u>	<u>Delegate Attendance</u>	<u>Countries Represented</u>
1997	Microcredit Summit	Washington, D.C., USA	2,900	137
1998	Global Meeting of Councils	New York, NY, USA	1,000	107
1999	Global Meeting of Councils	Abidjan, Cote D'Ivoire	600	85
2000	First Regional Meeting, Middle East/Africa	Harare, Zimbabwe	580	50
2001	First Regional Meeting, Asia	New Delhi, India	660	32
2001	First Regional Meeting, LA & Caribbean	Puebla, Mexico	600	34
2002	Microcredit Summit + 5	New York, NY, USA	2,000	100
2004	Second Regional Meeting, Asia	Dhaka, Bangladesh	1,200	47
2004	Second Regional Meeting, Middle East/Africa	Amman, Jordan	650	75
2005	Second Regional Meeting, LA & Caribbean	Santiago, Chile	1,100	38
		TOTAL	11,290	

As a result of the Campaign's work, the number of institutions reporting to the MCS has increased from 618 in 1997 to 3,164 in 2004 (see Figure 1). Furthermore, it is noteworthy that the number of the poorest clients being reached (as reported to the MCS by different MFIs) increased at a faster rate (777%) than the total number of clients reached (585%) from 1997 to 2004 (see Figure 2). Either the field really is reaching more of the world's poorest, or more MFIs with the poorest clients are reporting to the MCS – or both. In the former case, the field has improved financial sector

access to the poorest and in the second case, the field has a more accurate accounting of who is being reached—both could be counted as a success that the MCS has helped to cultivate.

Figure 1⁵⁴

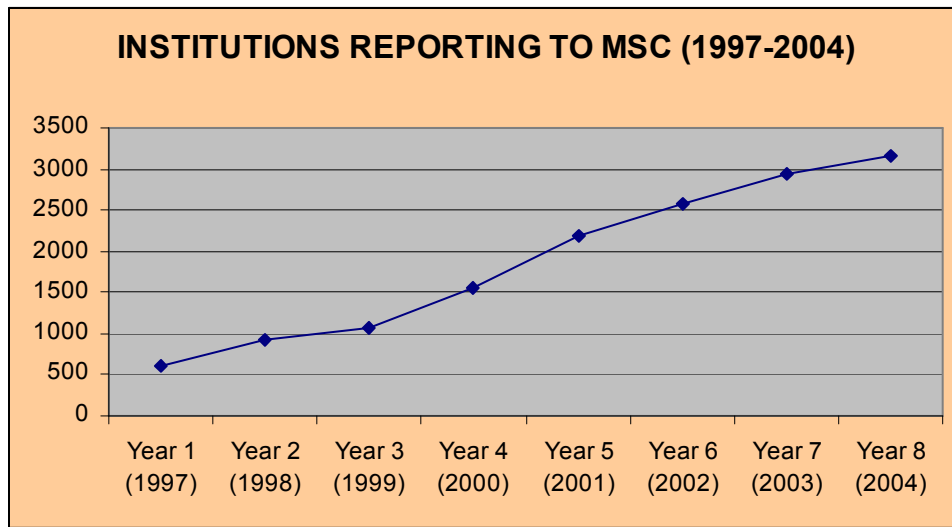
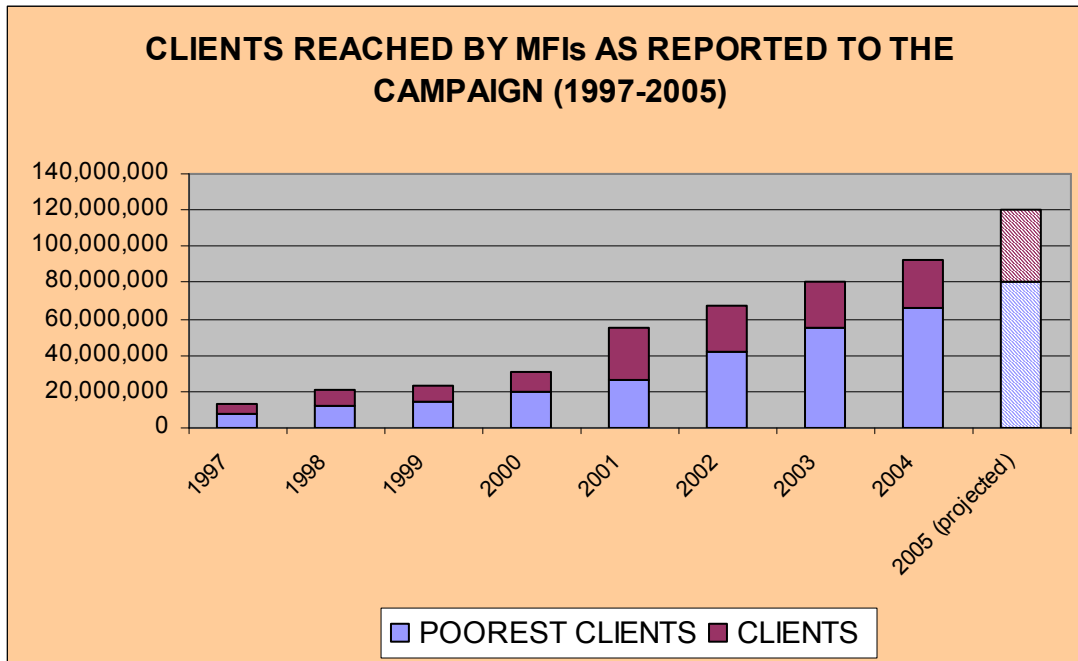


Figure 2

⁵⁴ As noted in the Campaign's 2005 report, of the 3,164 institutions reporting in 2004, 781 sent in their 2005 Institutional Action Plans. The remaining 2,383 institutions submitted data in previous years, which have been included in this count.



Moreover, with an average annual budget of only \$1,034,089 (from 1997-2004) and an average staff of 10, including regional staff members that serve as full time consultants (from 1997-2006),⁵⁵ the Campaign is among the most cost-effective initiatives in the field. The fact that it accomplished so much with its limited funds offers further evidence that the Campaign represents the work of many, and not a single organization. Its grassroots approach to change was enabled by its pursuit of a goal based on a *vision of reform*—elegant in its simplicity and boldness—and relevant to the entire international development community. Indeed, as one of the leading social movements in international development, the Campaign has pursued a strategy that parallels, in many ways, that articulated by Kul Gautam, present deputy executive director of UNICEF, in his article “Ten Commandments of Jim Grant’s leadership for development” (see Table X).⁵⁶

Table 2

⁵⁵ The Campaign’s biggest sources of income have been private foundations and corporate foundations; however, it is significant that the major costs of regional summits (of which there have been six) are borne by local organizers.

⁵⁶ Cited in *Jim Grant: UNICEF visionary*, edited by Richard Jolly, UNICEF, 2001.

Ten Commandments of Jim Grant's leadership for development

1. Articulate your vision in terms of inspiring goals
2. Break down goals into time-bound, doable propositions
3. Demystify techniques and technologies
4. Generate and sustain political commitment
5. Mobilize a grand alliance of all social forces
6. Go to scale
7. Select your priorities and stick to them
8. Institute public monitoring and accountability
9. Ensure relevance to the broader development agenda
10. Unleash the full potential of the United Nations system

Taken together, the data on the Campaign's outreach suggest that the *multiple roles played by the Campaign—goal setter, progress counter, convener and conference organizer, political mobilizer and advocate, commissioner of new research and writings on core themes, packager of tools, information disseminator, and best practice trainer*—have so far constituted an effective strategy. But how well do *Campaign participants* think it perform in each of these capacities? Moreover, do their views align with those of Daley-Harris, MCS Director? In general, did the Campaign contribute to the "revolution in microfinance and development that reaches and empowers the very poor," to which Daley-Harris frequently has referred?

B. The MCS Director's Perspective

For Daley-Harris, the Campaign has had impact in several areas, including the establishment of a bold, quantifiable goal and annually monitoring progress by increasing the number of practitioners involved.

Furthermore, Daley-Harris points to the successful efforts the MCS has made in generating greater focus on reaching the poorest and foundational work done by the Campaign that helped lead to passage of a new law in the US (June 2003) mandating that half of USAID's microfinance program support go to the poorest – a law championed by RESULTS and the Microenterprise Coalition. In addition, Daley-Harris believes that another accomplishment of the MCS has been creating more attention on poverty measurement and social progress tools by highlighting the limitations of loan size as a measurement of the poverty status of clients. To this end, the Campaign has called for developing better measurement tools rather than eliminating this effort to promote transparency—which led to its assembling of a toolkit with the industry's best alternative ways of measuring poverty of clients when they take their first loan.

Other major accomplishments of the MCS that Daley-Harris believes have been important are drawing significant attention to the opportunity to integrate microfinance and non-financial services such as health education by commissioning papers and conducting 3 and 5 day workshops in Asia and Africa;⁵⁷ breaking down false dichotomies that had emerged between those who advocated for financially self-sufficient microlending institutions versus those who wanted to reach the poorest;⁵⁸ and highlighting the importance of measuring social performance (a more nuanced view of impact) through its paper by Larry Reid and Suzy Cheston, commissioned by the MCS for the

⁵⁷ Information on this topic can be found in the Chris Dunford paper, "Building Better Lives: Sustainable Integration of Microfinance with Education in Child Survival, Reproductive Health, and HIV/AIDS Prevention for the Poorest Entrepreneurs," which was commissioned by the MCS as a chapter of the book *Pathways Out of Poverty: Innovations in Microfinance for Families*. Thanks to the MCS, a number of workshops were held addressing this topic, including panel discussions on the Chris Dunford's paper with John Hatch, FINCA, Neisa Vásquez, ProMujer Bolivia, John Dunford, Freedom from Hunger, with facilitator José Antonio Olavarrieta, CECA Spain.

⁵⁸ The MCS did so by showing it was a both/and not an either/or situation for most MFIs e.g. through papers by Anton Simanowitz in 2002, "Ensuring Impact: Reaching the Poorest while Building Financially Self-Sufficient Institutions, and Showing Improvement in the Lives of the Poorest Women and their Families," commissioned by the MCS as a chapter in "Pathways Out of Poverty: Innovations in Microfinance for the Poorest Families," and David Gibbons and Jennifer Meehan in 1999, "The Microcredit Summit's Challenge: Working Towards Institutional Financial Self-Sufficiency while Maintaining a Commitment to Serving the Poorest Families," commissioned as a 1999 Meeting of Councils Plenary Paper.

1999 Meeting of Councils, which contributed to the formation of the Imp-Act project funded by Ford Foundation at IDS Sussex.⁵⁹

In terms of areas where the Campaign could (or should) have had more impact, Daley-Harris suggests that the Campaign failed in a number of different areas, acknowledging, for example, not having contributed sufficiently to women's empowerment even though the overwhelming majority of borrowers in the field are women. More specifically, Daley-Harris believes that the Campaign could have and should have done much more to ensure that women who borrow have greater support to develop and enhance their capabilities to successfully grow their businesses and build and control assets while being able to address other needs such as health, housing, education, and water and sanitation more effectively. He further notes that the Campaign never carried out its workshops on integrating microfinance with health in Latin America and never had staff in that region until 2005. While it put together a poverty measurement toolkit and conducted workshops on how to use the tools, there were only two hour-long sessions instead of the four or five days which were really needed by practitioners. These constraints are attributed to a lack of resources. Significantly, Daley-Harris cites "not raising more funds" as his biggest failure as a leader.⁶⁰

C. Thought Leaders on the Role of the Campaign

Does Daley-Harris's evaluation of the Campaign's impact align with the views of others in the field? While there is some consistency, we find that Daley-Harris's view is not always the same as those of thought leaders in today's microfinance field. In general, Daley-Harris has a much more nuanced and detailed critique. However, it is also noteworthy that he is the

⁵⁹ Imp-Act is a global program designed to improve the quality of microfinance services and their impact on poverty (Imp-Act website).

⁶⁰ From email communication between Daley-Harris and the authors.

only one to mention the Campaign's lack of impact among women and the Campaign's weak presence in Latin America.

In terms of overlap, thought leaders reaffirm the Campaign's outreach efforts and applaud the MCS for its ability to provide the movement with continuity and cohesion. Similar to Daley-Harris, some note that the early Summit meetings were at times contentious, with different views on how best to harness the power of microfinance competing for attention. Over time, however, most believe that the Campaign worked to have all sides heard. Similarly, thought leaders agree that the *major contribution of the MCS has been the constituency it built for microfinance: creating a network that was essential to galvanizing and sustaining a global microfinance movement and its deepening at the national and regional levels*. Thought leaders believed that this, furthermore, has simultaneously helped the movement gain visibility and credibility. One thought leader, for example, remarks, "...the [MCS's] organization of councils has been quite impressive and has again really galvanized ... a larger group of stakeholders ... That kind of broadening of the constituency who support microfinance goes overlooked."

In addition, a larger, more engaged constituency has created what some field leaders believe to be a *productive learning community*. To this end, many of those interviewed also mentioned the role of the summits as providing multiple forums where practitioners and academics alike could share lessons and engage with one another. Furthermore, many believe that the MCS has been very self-conscious about creating an inclusive campaign that has successfully disseminated information across all segments: including MFIs, advocacy groups and organizations, donors, and even commercial banks. Thought leaders have recognized this push for inclusiveness: "Microcredit Summits serve to pull together players that don't normally have the opportunity to meet. They bring together a range of microfinance institutions, investors, policy makers and donors."

With increased information dissemination, many leaders found that they had more resources and more contact with those inside and outside the field: doors were opened up to fundraise, promote new global policies, and benchmark against other poverty tools. Indeed, the MCS's efforts in data collection are consistently mentioned as important, with many leaders arguing that it has *brought accountability to the field*. Others felt that by recording reliable quantitative and qualitative data on microfinance, the Campaign helped to build the field's infrastructure. This helped many to recognize the scale of the movement and feel empowered to do more. The other component of the MCS's data collection mentioned by thought leaders, which is symbiotic with accountability, is transparency – and sharing information about where the movement could grow and do better. One thought leader argues that the MCS is not only concerned with the quantitative goals, but also advocates “bringing accountability and transparency to more qualitative goals that emphasize empowering the poor and eradicating poverty.” For this reason, many other leaders applaud the MCS for its second round of goals, which go beyond quantitative impact to requiring ‘quality impact’ measures.

There was, however, some dissention. One thought leader expressed concern about the tracking system of the MCS. While this thought leader felt that the setting of the goals by the MCS was important, he nonetheless alleged, "it's not just about reaching the poorest, it's about changing their lives, but that is not being tracked; in fact even the tracking of the ‘poorest’ by MCS is often inaccurate and inflated." Nevertheless, wouldn't any claim of inaccuracy be easily and directly challenged via the verification processes used by the Campaign – mainly, peer to peer monitoring and third party verification? The sole fact that the Campaign promotes transparency by widely disseminating its figures should be enough to discourage practitioners

from reporting erroneous or inflated numbers.⁶¹ Furthermore, the Campaign has consistently voiced its support for ‘requiring’ the use of cost-effective poverty measurement tool in order to enhance accuracy.

In fact, the majority of thought leaders thought that the Campaign’s accountability system *was strong enough to be scaled up*. These thought leaders did not express concern over the way the MCS tracked data; on the contrary, they felt that data collection and monitoring would naturally come to include many more MFIs as the field’s networks grew. And given the ten years of practice the microfinance field has had with building an accountability system, some thought that data collection did not have to be facilitated by the MCS office at all but could instead be managed by the microfinance community itself.

Finally, nearly all thought leaders agreed that a key accomplishment of the MCS has been setting goals that ostensibly seemed impossible to meet and measure progress towards, *and then developing the momentum and tools to make the goals a reality*. Many thought leaders believe that the actual goal-setting helped to mobilize cost-effective efforts to train practitioners in best practice. The Campaign’s supply side stimulation in resource and technical support held the field accountable to meeting the poor’s demand for microfinance.

D. Survey Respondents on the Role of the MCS

Similar to the interviewed thought leaders, respondents to our survey also indicated that the Campaign played an important role in the field.⁶² Across all regions, almost 90% of respondents indicated that they agreed or strongly agreed that the Campaign had had an impact with its regional and international summits and meetings (see Figure 3). These results, combined

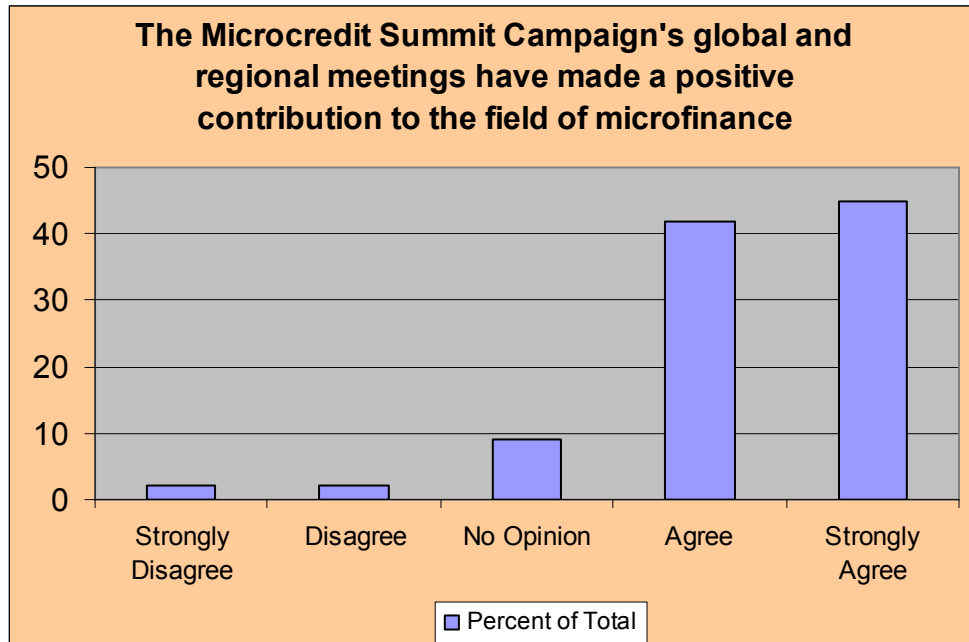
⁶¹ Similar phenomena include Wikipedia and E-Bay, and—more broadly—the open source movement, all of which rely on peer-monitored networks to sustain themselves.

⁶² See Appendix B for survey instruments.

with the fact that respondents indicate hearing about the MCS from a wide range of sources (including a colleague, 'word of mouth,' and the Internet) indicate that the Campaign plays an important outreach and networking role in the field. The Campaign has a wide-ranging communication strategy and a diverse constituency, lending credence to the view among thought leaders that MCS meetings help to strengthen and tie the field together. Just as thought leaders indicated, the Campaign creates a 'ripple effect' that builds stronger networks in more places and among new people, harnessing the field's social and political capital.

Nevertheless, increased public awareness about microfinance does not always translate into more effective policy-making and institution-building in different countries' financial sectors, according to some survey respondents. Some respondents, the majority of whom were from smaller countries, expressed their view that the MCS could do a better job of staying involved with country-level networks. More specifically, they thought that the MCS should make more of an effort to support MFIs during the whole year long, not just around the time of meetings and summits. Others characterized the issue slightly differently: the MCS played an important role in building networks, but a less important role when it came to sustaining them.

Figure 3

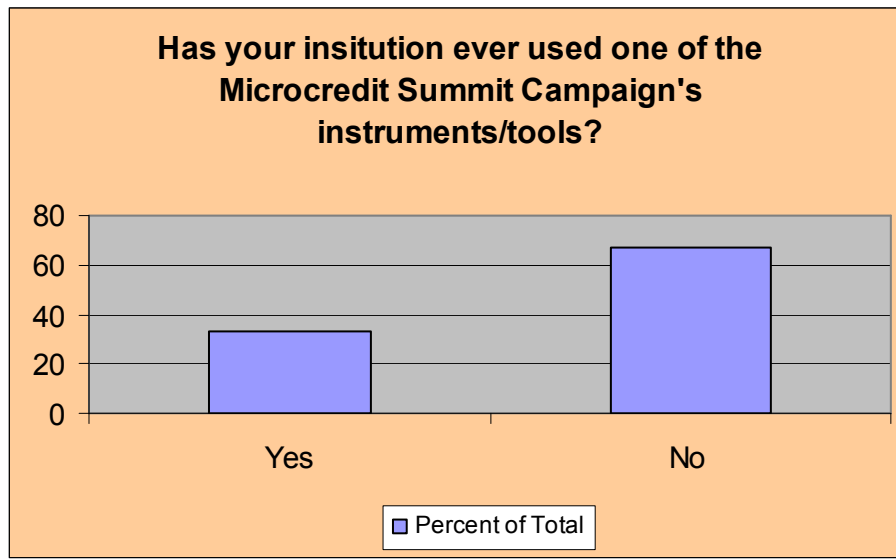


In general, respondents' answers imply that the MCS's most important role might be a broad, visionary one that builds and sustains momentum for the microfinance field. For example, nearly all respondents (85%) agreed or strongly agreed that the MCS's focus on the poorest has had a substantial impact in raising awareness for that goal. By all accounts, the sheer audacity of the MCS goal has kept the issue of including the poorest at center stage. Moreover, 83% of respondents indicated that they agreed or strongly agreed with the statement that the MCS has had an impact with respect to raising awareness of social performance. And more than 87% of respondents agreed or strongly agreed that the MCS had played an important role in pushing for the Millennium Development Goals. The Campaign's more specific areas of focus, health education and autonomous microcredit funds, also received strong support from respondents.

In contrast, when it comes to more technical support, survey respondents diverge from thought leaders and indicate that the MCS's tools are *not* having a strong impact. While results from the survey showed that almost 92% of respondents read MCS reports/papers, the impact of the MCS

in terms of tools dissemination was decidedly weaker, with almost 70% of survey respondents indicating that they had never used a tool from the Poverty Measurement Toolkit, which includes the Participatory Wealth Ranking or the CASHPOR House Index (see Figure 4).

Figure 4



In point of fact, the MCS itself collects data on the use of poverty measurement tools. Results from the State of the Microcredit Summit Campaign 2005 Report indicate that of the 781 institutions submitting data that year, 69.1 percent reported using a poverty measurement tool other than an estimate and 22.8 percent of that group used either the Participatory Wealth Ranking or the CASHPOR House Index. These results are proportionately lower compared to the results from 2000, when 66% of institutions submitting data reported using a tool other than an estimate and 30% of that group used either the Participatory Wealth Ranking or the CASHPOR House Index. Furthermore, they are considerably lower than our survey results, which may or may not be contributable to selection bias.⁶³

⁶³ Sixty-nine percent of 781 institutions is 540 institutions. 22.8 percent of 540 institutions is 123 institutions. 123 is 16% of 781. The survey results used in this paper, however, indicated that 30% of respondents used an instrument from the Poverty Measurement Toolkit. Selection bias may have resulted from the fact that we surveyed the biggest (by outreach) MFIs per

The MCS has realized this weakness; according to its 2005 Report, the “greatest challenge lies in bridging the gap between our commitment to reaching the poorest families and the lack of sufficient number of quality poverty measurement tools in use.”⁶⁴ The new MCS goals for 2015 will continue to tackle the issue of measurement head on.

The role that the MCS has played with respect to data collection is another area where thought leaders and survey respondents diverge. When asked if the MCS’s focus on impact and data collection had influenced their organization, 36% of respondents had no opinion. Moreover, 22% of respondents disagreed that they have had any impact at all. In the open answer section of the survey one respondent commented, “Sometimes you get a feeling that the most important thing about the Summit is to get the figures and then that is it!”

Taking these findings into account, one might conclude that the fact that the Campaign is overwhelmingly viewed as a visionary movement impedes some from thinking that it can play a more practical, or technical role. In other words, it may be that respondents use different resources for instruments and tools, relying on the MCS for movement-building ideas and other less tangible innovations.⁶⁵ Furthermore, the difference between survey respondents’ answers and those of thought leaders are instructive. Why would thought leaders be much more likely to say that the MCS data have impact? It may be the case that these are precisely the people who

region, which are probably more likely to use a poverty measurement tool because based on budget size and economies of scale.

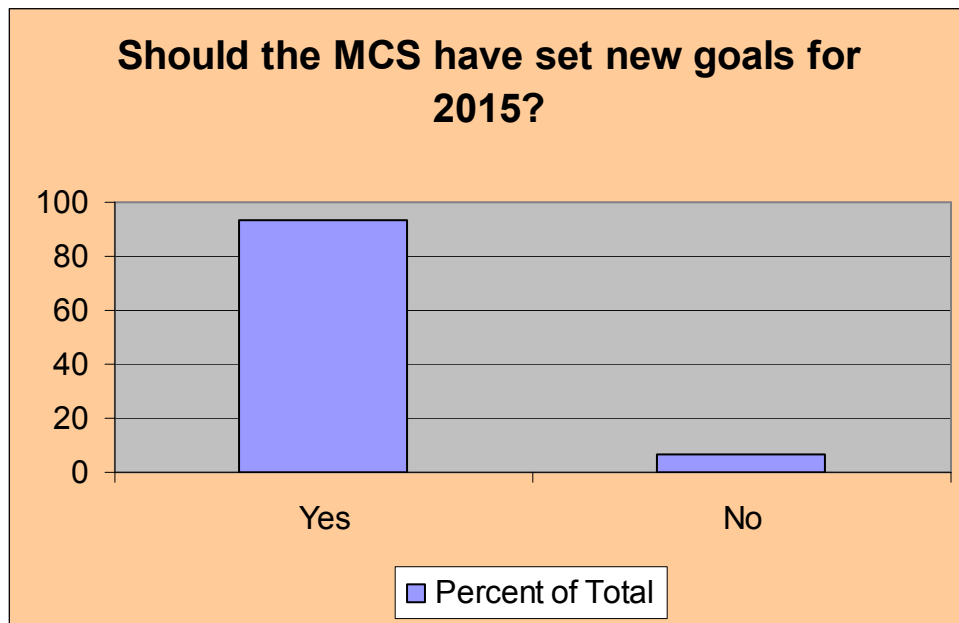
⁶⁴ From the State of the Microcredit Summit Campaign 2005 Report, pp. 25. Written by Sam Daley-Harris.

⁶⁵ Two examples of such resources might be those maintained by the Consultative Group for the Poor (C-GAP) – e.g., The Microfinance Gateway, Microfinance Information Exchange (MIX - Incorporated in critical June 2002 as a not-for-profit private organization; aims to promote information exchange in the microfinance industry) – or SEEP, which since its inception in 1985 has “provided leadership for the development of operational guidelines and policies that have advanced the microfinance and micro and small enterprise development sectors” (from SEEP website 2006). See footnote for more information on C-GAP. See <http://www.seepnetwork.org/section/about/> for more information on the SEEP Network.

have ready access to the data and therefore have a biased view of their impact, suggesting that the main problem with the MCS tools are their lack of dissemination. To this end, it may simply be a problem related to lack of resources, as Daley-Harris has suggested.

Despite these more ambivalent responses on tools and data, enthusiasm for the larger goals of the MCS Campaign remains high: 93% respondents agreed that the MCS should have set new goals for 2015 (see Figure 6) and 91% of respondents agreed that the goals on which the Campaign had chosen to focus were “in the right direction” of where the field should be headed. Indeed, many felt that the MCS should try to do even more. One respondent, for example, wrote, “Go beyond your mandate and link world poverty to conflicts and wars...” Other respondents felt that the MCS should become more involved in the education of the children of microcredit recipients, working to improve regulatory frameworks for microcredit, and contributing to country-level microcredit research.

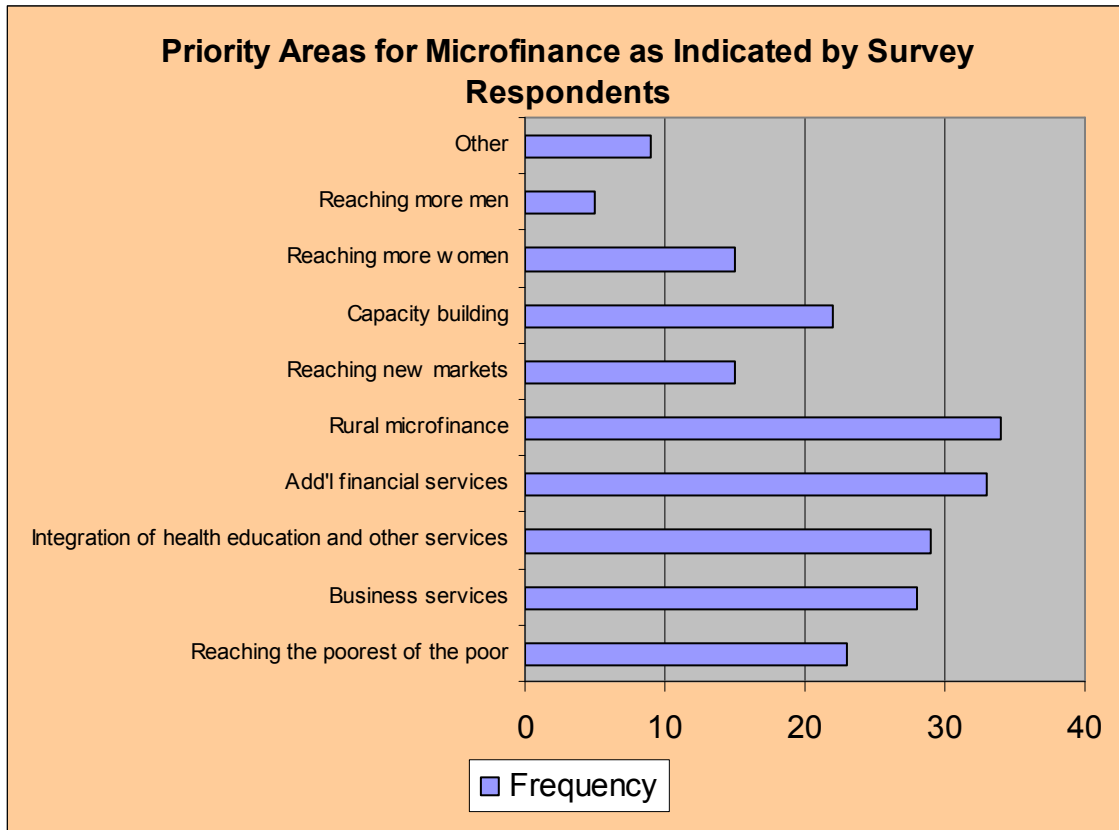
Figure 5



Finally, the range of respondents' priority areas of focus for microfinance (Figure 7) reveal the diverse views of what the MCS Campaign can and should accomplish, and are most probably related to different regional characteristics, as well as characteristics particular to different MFIs (large or small, urban or rural, young or established). For example, while African and Latin American respondents prioritized rural microfinance and business services, Asian respondents indicated that their priority was reaching the poorest. However, Latin American and Asian respondents—as well as North American respondents—emphasized the need for additional financial services, such as savings and insurance. North American respondents also cited health education and microfinance as an important area of focus.⁶⁶ This regional analysis of respondents' priority areas reveals that there are significant differences in goals and perspectives, all of which make the Campaign the diverse, dynamic and multi-vocal movement that it is.

Figure 6

⁶⁶ There were not enough respondents from Europe to draw conclusions about that region of the world.



Synthesis: What Worked and What Didn't 1997-2006

A. General Criticisms

Despite some notable exceptions, results from our interviews with thought leaders and the survey suggest that the Campaign has generated significant impact. Why then, is there a strong critique of the Campaign from some microfinance specialists and donors? We find that, in the majority of cases, the main criticisms of the MCS have little to do with its impact, but more to do with its processes as an organization. For example, some critics have asked: is there a Campaign that exists beyond Sam Daley-Harris? Or is it just a vehicle for him to state his views on microfinance? Similarly, to what extent does Daley-Harris, and/or the MCS, take too much credit for changes in the field that have occurred based on others' hard work? Alternatively, some have claimed that the MCS has not kept pace with changes in the microfinance movement and the new directions it has taken. For example, some argue that the MCS continues to rely on emotional, anecdotal evidence

to make its points and carry out its advocacy when what the industry currently needs is more technical rigor.

The Campaign has also received criticism for focusing too sharply on lobbying efforts – and forgetting the role it plays as a visionary and/or advocate for practitioners. Similarly, some feel as though the MCS is too dogmatic, zealous, or combative in pursuing policy reform (particularly in the aid agencies of G-8 countries and the IFIs) to be more consistent with the goals of the Summit. Some donors, for example, have said that they felt abandoned because of what they felt were the Campaign’s sharp, unfair and oversimplified criticisms of valid compromises. In addition, the debate over reaching the poorest versus financial sustainability—and whether or not this is a false dichotomy—has created tensions in the field. To this end, the MCS has been criticized more generally for not giving due weight to the views of a broad spectrum of practitioners – the people on the ground – in pursuing its policy reform agenda and synergizing with the related efforts of RESULTS, the Microenterprise Coalition, and others.

Finally, the Campaign has also had to engage with various skeptical experts in international development. For example, Thomas Dichter has criticized microcredit generally by alleging it, “[...] is an almost perfect case of a phenomenon that has come to characterize much of development assistance – a widening gap between reality and propaganda.”⁶⁷ Dichter goes on to disparage the movement for claiming impact despite the lack of rigorous empirical evidence, claiming that the ‘hype’ has even been harmful. While Dichter does not expressly address the MCS, the Campaign has indeed been accused of depending too much on sentimental arguments for microfinance. The Campaign has always had to balance carefully its targeting of the world’s top political leaders to build political will and supporting

⁶⁷ Citations taken from the article by Dichter, “Hype and Hope: The Worrisome State of the Microcredit Movement.” The article can be found at, among other places, <http://www.microfinancegateway.org/content/article/detail/31747>. Dichter, Ph.D., is a long-time practitioner in the international development industry and author of Despite Good Intentions: Why Development Assistance to the Third World Has Failed (2003).

practitioners who were actually responsible for microfinance in a given institution or agency.

B. The Assessment

Despite its shortcomings, the MCS continues to argue that microfinance is a powerful poverty strategy, and that if impact assessments are poorly executed – better to improve them, then not pursue them at all. We agree. If the Campaign’s ‘revolutionary’ goals led to zealous in-fighting within a growing, but fragile field—then that is what the field needed to mature and meet the poor’s demand for microfinance. Did the Campaign bite the hand that fed it once too often? On the contrary, the Campaign generated and used controversy to grow a social movement. It consciously took on ‘naysayers’ to fuel its advocacy agenda. Convening provocative panels where experts clashed on the issues, promoting audacious goals without a clear plan in place for measuring progress, and using well-known intellectuals and politicians to weigh in on the movement, in addition to a wide range of other techniques, the MCS definitely generated heat and stickiness.

Why was this tension important? Take, for example, the fact that when the Campaign began, there was an enormous divide between two schools of thought that can be roughly defined as those focus on improving the well being of (or promoting sustainability among) poor clients (particularly on the extreme poor) and those concerned first and foremost with the financial self-sufficiency of MFIs. Ten years later, the field continues to debate the topic—but the debate has evolved to become a much more sophisticated discussion based on well-developed theory, evidence, and expertise. The Campaign, for its part, has made tremendous strides in showing that the two are not mutually exclusive. Moreover, it has worked to facilitate the enhanced cooperation, information sharing, and cross-thinking that exists today between what were two divided schools of thought. This is a constructive development that is to everyone's benefit. Furthermore, it is important to

emphasize that while ‘push back’ from critics is natural – and healthy – it is certainly *not* a reason for abandoning microcredit when the poor have time and again proven their ability to use investment capital for productive and even transformative purposes. The market has spoken; and we would be foolish to ignore it or, worse, try to restrain those who are driving demand for the sake of an elusive, one hundred percent rigorous impact study.

To this end, it is unfortunate that the Campaign continues to be perceived, sometimes, as perpetuating this divide by ostracizing organizations that have embraced financial markets and focused primarily on institutional rather than client-level sustainability. These organizations have as much to learn from the constituency of the MCS as the MCS has to learn from them. Somewhat consistent with this point is the concern that the Campaign has not grown beyond a few themes - and tends to reach out to the same individuals/organizations to write papers. In retrospect, this was not perhaps the best strategy to build an inclusive movement. The MCS used some papers multiple times over a period of years – giving some the impression that it was limited in whose views ‘mattered.’⁶⁸ Again, this could be because of resource constraints. Nevertheless, the Campaign should be careful and cognizant of continuing to build the inclusive movement it set out to create.

Table 3

Summary of Critiques, With Authors’ Views and Recommendations

Critique	Our Views	Recommendations
The Campaign = its Director, Sam Daley-Harris	<ul style="list-style-type: none"> • The Campaign is a global, collective <i>social movement</i> that draws in participants from multiple and diverse quarters in the field • The social entrepreneurship of Daley-Harris—in addition to that of 	<ul style="list-style-type: none"> • Under Daley-Harris’s leadership, the Campaign should continue to work with diverse partners to create higher value-added opportunities for those at the

⁶⁸ For example, the Gibbons/Meehan sustainability paper was among one of the select few mandatory trainings for scholarship attendees for the NY Summit in 2002. Given that this paper was first presented in Abidjan in '98, and then at each regional Summit prior to the NY meetings, some saw it was a step backwards rather than an advance on that theme.

	<p>other Campaign members—has been critical to the success of the Campaign</p>	<p>bottom of the economic pyramid</p> <ul style="list-style-type: none"> The Campaign should continue to cultivate multiple spokespersons and broad ownership of the goals while drawing on the strengths of its social entrepreneurs
<p>Microfinance programs that focus on the poorest, such as the Campaign, let governments 'off the hook'</p>	<ul style="list-style-type: none"> The poorest's effective use of microcredit will increase governments' commitment to eradicate poverty We support a 'both/and' approach for the poorest in every society: governments should provide whatever assistance they can afford and microcredit should be available. 	<ul style="list-style-type: none"> Do not abandon microcredit for fear of governments not doing enough – this is unfair to the poorest who ultimately suffer the negative consequences of this debate
<p>Other methodologies <i>might</i> be more effective than microfinance; thus, the Campaign should stop promoting its goals while the best poverty alleviation program is discovered</p>	<ul style="list-style-type: none"> Multiple approaches solve multiple problems; international development is not a zero-sum game While not a panacea, microcredit has a proven track record, with increasing numbers of rigorous impact studies that justify scaling it 	<ul style="list-style-type: none"> Promote microcredit as a platform for wider development and promote additional products and services that can serve as poverty alleviation tools
<p>The Campaign is simply a 'mouthpiece' for Dr. Muhammad Yunus and the Grameen Bank</p>	<ul style="list-style-type: none"> The Campaign is the sum of its many diverse parts Dr. Yunus is a valuable, international personality and leading global social entrepreneur; he helps the Campaign recruit political leaders to increase visibility of Campaign agenda 	<ul style="list-style-type: none"> The Campaign should continue to actively engage new microfinance institutions engaged with many networks- - Acción, FINCA, Opportunity, WWB, and beyond. The Campaign should continue to take great care to balance speakers from many MF networks, including Grameen
<p>The Campaign does not support in-country networks between Summits</p>	<ul style="list-style-type: none"> The MCS e-news bulletin, one example of the Campaign's many communication tools, is delivered in 4 languages to 14,000 leaders—the largest circulation in the field The Campaign's meetings are the most highly attended in this field with 2,000-3,000 participating in the global Summits and 800-1,200 attending the regional summits held around the world 	<ul style="list-style-type: none"> The Campaign is arguably the largest microfinance network in the world -- as it grows, its participants will strengthen in-country networks
<p>The Campaign has not provided enough training with respect to the poverty indicator kits.</p>	<ul style="list-style-type: none"> Although the Campaign might have done more, the workshops it conducted were cost-effective and put the issue on the agenda of the industry and movement 	<ul style="list-style-type: none"> The Campaign should collaborate and conduct workshops around the world on poverty assessment tools and ways to measure its second goal

Two other challenging issues for the Campaign bear particular importance to our assessment. One is the continued confusion about its identity. For those who see the MCS as just another NGO dominated by its director, it would be difficult to accept that there is another view of the Campaign. However, as we argued at the beginning of the paper, an alternate view of the Campaign is one that sees it as the aggregation of all those practitioners, organizations, and other individuals who bought into its goal and themes over a ten-year period and submitted annual action plans so that their progress and plans could be aggregated and thus be included in a decentralized global campaign. In other words, this view assumes that *the Campaign equals a large movement and represents a significant percentage of members of the field*. Once one adopts this perspective, it is perhaps easier to promote the Campaign because it doesn't seem separate from the work that everyone else is doing in the microfinance arena. Moreover, it is easier to support the social entrepreneurship of Daley-Harris for creating new opportunities for a wide range of perspectives on microfinance.

Another challenging issue for the Campaign is why the significant majority of MFIs, after nearly 10 years, are still well below optimal scale, and, similarly, how to incorporate more MFIs into the MCS reports. However, it is important to note that having so few MFIs make a significant difference may simply be a natural development of the market. Out of the many thousands of investments in the Internet, for example, how many actually survive? As for the second point, this is an outreach issue that is exceedingly difficult to solve without more resources. Our perspective is that if the MCS, in its role as collecting data for the Campaign's goals, is really missing significant players who are not submitting Action Plans and reports on outreach – *where is the debate and discussion among Campaign members to resolve this concern?* Is it realistic to expect that even half of the small MFIs will grow to have material impact – and why isn't the Campaign tackling these kinds of issues? Instead of dismissing this issue as one of the

Campaign's 'shortcomings,' critics should encourage the Campaign to solve these problems by joining the movement and working toward a solution.

Despite these challenges, by all comparisons, the Campaign was—and is—a highly successful global advocacy movement. The Campaign has given a voice to microfinance practitioners the world over to speak out through papers and panels, meet one another through attendance at meetings (with a highly successful scholarship program), share experiences, and debate the issues. These voices provide a counter-balance to what is normally heard - the “groupthink” based on western-based aid agency and network perspectives that we often find to depart dramatically from what is actually happening on the ground. And more than giving a general voice, it has given voice to those whom have committed themselves to microfinance as a strategy for poverty reduction.

The Campaign has embraced and championed the social entrepreneurship inherent in microfinance for the poor by taking on difficult and sensitive topics - probably the two biggest being whether poverty-focused MFIs could be financially self-sufficient and the importance of setting aggressive goals and cost-effectively tracking progress toward their realization. We believe the Campaign has dramatically changed thinking in these two critical areas. In addition, it is significant that the MCS has sought to aggregate data from MFIs serving the poor as well as the poorest around the world; by distinguishing between the growth rates for each group, the Campaign operated in the spirit of numerous movements focused on extreme poverty (e.g., the ONE campaign) and academics who decried the inability of international development to effectively prioritize the poorest.⁶⁹ Furthermore, *the data MFIs report is based on loans taken by individual clients with real names and addresses collected by practitioners with management information systems. Unlike the \$1 a day and \$2 a day figures which are based on anonymous econometric models, the MCS data*

⁶⁹ See for example, Robert Chambers' book, Rural Development: Putting the Last First.

constitutes the first real 'bottom-up' census of the world's poorest. To us, this seems like a marked improvement. And imagine the possibilities for greater insight if significant investment is made in tracking their progress out of poverty.

Another important success of the Campaign is its promotion of a model that is *scalable and sustainable* -- one that makes effective use of philanthropic funds and increasingly taps capital markets as MFIs go through their life cycle. (It has also played an important role in redirecting public money to where we believe it will be better spent.) This new model is more effective than a traditional giving model that relies on aid donations and government institutions to deliver needed resources to the poor. The Campaign has worked to organize the poorest people to access microcredit—providing a new platform for development. We believe this development is critical: if you have strong organizations and institutions that directly focus on unleashing the potential of the poor, then you can build other products and services - financial and business (agricultural inputs, livestock and poultry services, retail marketing outlets, etc.) as well as non-financial (health, education, housing, water, sanitation, etc.) through a variety of approaches.⁷⁰ *Finally, perhaps the Campaign's biggest achievement—the one which serves as the backdrop to all the others—is the fact that it has mobilized a global movement around the goal of reaching 100 million of the world's poorest by the end of 2005, which will most certainly be achieved in a year or two.*

Would the growth in MFI outreach have happened anyway, without the steady drumbeat of the Campaign? This is methodologically impossible to answer: we cannot observe the counterfactual. Certainly there was a natural

⁷⁰ For example, in Bangladesh, BRAC has developed Program-support enterprises and related institutions and Grameen Bank has spawned a family of independent companies and organizations that share its vision and values to eradicate poverty to address the multiple needs of the poor and widen their opportunities. See www.brac.net and www.grameen.com. The MSC highlighted different models for health education in one of its earlier papers and has commissioned new papers to investigate this theme.

momentum building around the world in microfinance, but correlation is not causation. Had the field evolved to be as strong and visible as it is today is difficult to say; however, we think that the Campaign played a significant, catalytic role in accelerating and shaping its growth, in particular, helping to bring the same kind of rigor to tracking social outcomes as other leaders had brought to the issue of measuring financial performance in the mid-1990s.

The Next Campaign: A New Vision for 2007-2015

The growth of microfinance has been fueled by several factors, including the passionate advocacy of a swelling movement to eradicate absolute poverty worldwide. Economies of scale exist where previously they didn't, which has allowed practitioners to explore new niche markets, develop innovative products, and experiment with different models (e.g., microfinance and health insurance, microfinance and business services directed at women, microfinance and life insurance, microfinance and education, microfinance and housing finance, use of technology such as smart cards, handheld devices, cell phones and other iterations). Certainly the market has become more efficient in this respect; while much work remains, better information flows have helped supply to catch up with demand. But there are also institutional and political factors, many of which we have discussed in this paper, that have 'greased the wheels' of the market in very significant ways. More governments have formally gone 'on record' to support microfinance, the UN has made explicit the connection between the MDGs and microfinance, and the US has passed legislation mandating that half of USAID's microfinance program support go to the poorest. A summary of the principal indicators of the microfinance field's growth are listed in table 2.

Table 4

<u>Indicators of Growth in the Field of Microfinance</u>

<ul style="list-style-type: none"> • Increase in the number of borrowers (demand)
<ul style="list-style-type: none"> • Increase in the number of lenders reporting increased outreach (supply)
<ul style="list-style-type: none"> • Increase in the number of institutions reporting financials publicly (growing transparency and accountability)
<ul style="list-style-type: none"> • Increase in political awareness and support among governments (more countries go on record as officially supporting microfinance)
<ul style="list-style-type: none"> • Creation and density of networks, associations, support institutions, funds, rating agencies, research, etc.
<ul style="list-style-type: none"> • Growth in the professionalization of the field through (1) universities teaching courses and offering degrees in microfinance, (2) professional training programs and (3) bankers and business people migrating to microbanking
<ul style="list-style-type: none"> • Increase in institutional changes related to creating an enabling policy environment
<ul style="list-style-type: none"> • Commercialization trend that eases capital constraints, expanding supply of capital and potentially reducing its cost
<ul style="list-style-type: none"> • Greater use of technology to increase efficiency, reduce costs, improve transparency and widen opportunities for new businesses
<ul style="list-style-type: none"> • Increase in the number of new funds and financial service providers at market rates
<ul style="list-style-type: none"> • Shorter cycle between product/service innovation and wide-spread diffusion and adoption among other providers
<ul style="list-style-type: none"> • Increase in the number of new financial and business development products and services

The MCS has recognized these changes (indeed, it has helped to facilitate many of them) and has responded by developing a new vision—with corresponding goals—for 2007-2015. This was accomplished through a participatory process that was, in part, inspired by the MDGs adopted by world heads of state at the UN summit in 2000. The first goal, to halve poverty by 2015, was particularly inspired by the MDGs. The Campaign’s new goals are:

- *Goal 1:* to reach 175 million of the world’s poorest families with microcredit by 2015

- *Goal 2:* to ensure that 100 million of the world's poorest families move from below US\$1 a day adjusted for purchasing power parity (PPP) to above US \$1 a day adjusted for PPP, between 1990 and 2015.⁷¹

The goals are based on the Campaign's calculations, which suggest that reaching 175 million poorest families (out of the 240 million that exist based on the 1.2 billion living on \$1 a day or less, a number estimated by the World Bank) by 2015 is a reasonable target based on current growth patterns. However, this also assumes that the industry kick-start the scaling up process in Africa and Latin America, which the commercialization trend suggests is likely. For this reason, Daley-Harris thinks the second goal is actually most important in ensuring that the microfinance strategy in fact succeeds in helping significant numbers of people improve their lives and lift themselves out of absolute poverty. We agree.

Nevertheless, given the field's growth indicators, are the Campaign's new goals actually too timid? Based on experience and lessons from the venture capital industry, exponential growth is possible given certain factors – factors that indeed characterize the changes occurring in the microfinance field. Thus, while we applaud the 175 million goal as a percentage of the 240 million, we nonetheless feel that an even more ambitious goal should be set for the field—we recommend 300 of the 500 million—which would be roughly in keeping with the Campaign's strategy to target two thirds of the total number reached as 'poorest.' This would help MFIs to include more of the poor and marginally poor in their outreach to give them greater scale and an easier path to sustainability. Even people living on \$3 per day still need help and by serving them MFIs can achieve financial sustainability without

⁷¹ While the Campaign has acknowledged the difficulty of establishing causality for this goal, it has argued that this issue need not take 'center stage.' In an MCS email dated 8/24/2006, the Campaign quotes Jonathan Morduch, New York University researcher, "In the perfect world, we could set goals where we could really nail causality and say that microcredit would be the cause of the improvements sought. Here, though, I think it would be enough to put causality aside in terms of setting goals. It would be a major step simply that 100 million households who are microfinance customers move from being under \$1/day to over the line -- even if microfinance is only 50% responsible or only 5% responsible." According to the MCS, this quotation was taken as part of a "longer email communication."

changing their focus on serving the poorest faster. By embracing a rigorous focus on serving the poorest that can be monitored in a transparent manner, MFIs can also serve a less poor market (including formerly very poor clients) but their steadfast commitment to serving the poorest must remain and be documented. Will the rising tide of commercialization lead to mission drift? Will there be tsunamis that wipe away the gains made to date? Will the tension to collect loans erode the beneficial effects that have helped to empower so many poor women? The Campaign has a role to play in ensuring the movement ask the questions and debate the answers.

Next, in terms of the considerable challenges in identifying and measuring who is poor and poorest, we think that, in the end, it is important to listen to the market. While the Campaign contends that the poor/poorest debate matters a lot to those who are poorest—as they need the services most desperately—still others contend this debate is really masking a larger debate on the appropriate role of government and its obligation to the poorest citizens. To be sure, the political implications of this debate can have unintended consequences. By contending that the poorest can and do make good use of microcredit, are we letting governments off the hook for providing services, transfer payments, and other forms of assistance to the poor?

We certainly do not support the abdication of responsibility by governments to its citizens, especially their economically weakest and most vulnerable. However, we believe that this debate may actually end up generating increased commitment and resources by governments for its most vulnerable citizens as the returns to meeting the poor's demand for microfinance become increasingly documented and the field expands to include new suppliers. As a consequence, innovative approaches to social safety nets and asset transfer schemes that reflect alliances between government and civil society may gain more traction and support. Should the Campaign play a role in facilitating the new kinds of government-citizen

sector and government-banking partnerships that will be necessary to reach the full market at all levels of need? That may be a new role to play, in line with its vital role of focusing on poverty alleviation and ensuring that the philanthropic financing of microcredit is a counterbalance to the commercial pressures that will come to bear.

We do see compelling evidence where microcredit successfully reaches the poorest and enables them to cross a poverty threshold and even gives some an opportunity for making a generational break in poverty.⁷² Thus, we think the Campaign would be wise to continue advocating for the removal of barriers and making space for the poorest to participate in self-employment and asset building strategies fueled by microcredit. *Just as the field is challenging itself on achieving broader outreach, it should also go deeper. It should examine the ways that organizing people to participate in microfinance can be used as a platform for more comprehensive development.* The Campaign can again ask the field: how can we create higher value-added opportunities for those at the bottom of the economic pyramid?

We would suggest the following areas are the most fruitful for development and investment—*all of which are self-sustaining or 'bottom up' models of poverty alleviation*—and should be included in the Campaign's goals for 2015: healthcare, education, insurance, I.T. 'business in a box,' and reproductive health services. Examples of such programs include Jami Bora's housing program (Kapatuei), their health insurance program (\$1 per month), SKS's information kiosks, and education programs for the children of microfinance clients as well as comprehensive programs and services of Grameen Bank and BRAC.⁷³

⁷² The Grameen Bank, for example, has been a leader in stopping inter-generational poverty. Grameen offers higher education loans at 5% interest to all borrowers' families.

⁷³ Need to give more info on these examples.

The key challenge for the Campaign in the years ahead will be to keep a global focus in the industry on measurably reducing absolute poverty as the commercialization trend accelerates. As the industry rapidly grows and new entrants come in, there is a real possibility that an industry that is narrowly focused on profits at the institutional (MFI) level will 'crowd out' the movement focused on profitability and transformation at the client level unless Campaign participants are vigilant. While there may be lip-service to promoting client level sustainability, the orientation of bankers and other professionals focused on profits and financial performance at the intermediary level may come to dominate the field. The Campaign will need to promote the increasing efficiencies that get passed on to the customer in terms of lower interest rates, rather than only maximizing returns to shareholders and investors. While greater market-based investment is clearly needed to adequately provide the capital required to meet market demand by the bottom of the economic hierarchy, this tension and the implied trade-offs need to be acknowledged and continuously discussed.

There has been debate inside the Campaign about its future role. In the first meeting of the Organizing Committee for the MCS, a resolution was that the Campaign should not become a fund or raise capital to support the growth and development of practitioners. Whether this move was done out of competitive fears or judgment about comparative advantages, the Committee clearly decided that the Campaign should stay focused on advocacy. Subsequently, Daley-Harris took the Campaign into areas of toolkit promotion and training workshops around the poverty measurement theme and integrating health with microfinance. Should it have done more?

Probably not given its funding and capacity, as well as its orientation. Should the MCS alter its focus somewhat to ensure its efforts have the greatest impact on poverty - meaning focus on the top 50-100 poverty-focused MFIs versus embracing all? We wonder if this would only duplicate what the market is trying to do now. Unless there is a dramatic shift in

orientation, the current focus seems appropriate, more inclusive, and most sensible given the Campaign's goals. Moreover, given the results of our survey and though leaders' opinions, which consistently emphasized the inclusiveness of the Campaign, we recommend that the Campaign stay committed to supporting the entire field—not just one segment—while continuing to bring transparency to the issue of depth of outreach.

Furthermore, we recommend that the Campaign continue its practice of supporting debate on contrasting views in the field. Given its second goal, the Campaign will have to think even harder about impact assessment, providing an excellent opportunity to work with researchers and others on this issue. The CGAP/Ford Foundation supported project on social indicators with 34 MFIs who partner with many major networks is highly promising.⁷⁴ MFIs are monitoring their impact on five key goals of the MDGs using an interesting array of proxies. We recommend that the Campaign embrace the best social performance tools and encourage their widespread adoption and reporting to the MIX.

At the same time, we feel that it is appropriate for the Campaign to continue to challenge those who want to pursue alternative methodologies *at the expense of microfinance*. We believe that there is more than enough room for multiple approaches. Microfinance represents one major contribution to the poverty problem, but it does not solve all problems – multiple approaches would solve multiple problems. We recommend that the Campaign push those inside and outside the field to recognize that

⁷⁴ The purpose of the Social Indicators Project was to identify a small set of clear, globally comparable, low-cost indicators that would correspond to the five dimensions of the MDGs mentioned above. These "industry indicators" would form a common reporting format that would be used by all MFIs for industry-wide reporting. Thirty four MFIs are participating in the project. Fifteen are from Asia, seven are from Africa, nine are from Latin America, and three are from Eastern Europe. Included among the 34 participating MFIs are multiple members of microfinance networks. These include ten members of the Opportunity International network, five members of the Trickle Up network, four members of the Pro Mujer network, three members of the INAFI network, two members of the FINCA network, and two members of Grameen Foundation USA. Most MFIs have completed the first round of surveys.

international development (as we have mentioned already in this paper) is certainly not a zero-sum game.

Exciting developments are occurring in the field of microfinance. It is rapidly expanding, attracting top-tier talent, news coverage and unprecedented levels of capital.⁷⁵ Banks that once shunned those without collateral are now exploring hybrid and partnership models. Every day another group pilots an innovation. Occasionally, some actually announce a breakthrough. There are advances being made in developing open source software for management information systems for microfinance, tapping the powerful flows of remittances, developing new insurance models to help the poor mitigate against natural disasters and other risks and experimenting with peer-to-peer lending through the Internet – just to name a few. In addition to the indicators we have outlined as signs of the field’s explosive development, we are encouraged by the number of panels and speeches being made around the world about the future shape of this industry, movement and field.

The very act of imagining very different and bold futures generates strength and enhances creativity. We recommend that the Campaign build in an explicit goal for 2015 on bringing together and sharing the most innovative new tools and applications for microfinance. These new tools may include the internet, smartcards, cell phones, open source, and community exchange. We think the Campaign—as the largest and most diverse microfinance network in the world—can facilitate more sharing of tools, tool kits, ideas, software, processes, training tools and manuals, syndication of interested parties, and best practices manuals in one online location through blogs, wikis, open source sites and other avenues our collection imaginations will dream up in the years ahead.

⁷⁵ Reference Hatch paper.

We further recommend the Campaign play this role to *fairly and broadly distribute new opportunities and innovations across the field* so as to build an even stronger movement to eradicate poverty. We see the MCS niche as a movement player rather than an industry player, guided by its own competitive analysis and positioning. The Campaign's real strength is banding together the industry in a global cause that enables them to overcome the tendency towards cynicism and transcend each of their organizational goals. *We strongly believe that without the Campaign building cohesion around a global social movement, each organization would have only been consumed with building its own capacity in an atomized industry.* By building a movement, the Campaign has increased social and organizational capacity and created superadditivity – a 'more than the sum of the parts' community.

Leadership is well distributed around the world. No one region has a monopoly on knowledge though some have made greater advances than others. Unlike other approaches in development, the recipe or model is not flowing from the North to the South.⁷⁶ It is truly a 'bottoms up' approach in stark contrast to most top-down approaches in vogue in Western aid models of poverty alleviation. Microfinance seems more robust, adaptive to local needs and more cost-effective with the constant checks and balances of their effectiveness through sustainability measurement. MFIs must adapt and improve, thereby being responsive to market demand and becoming sustainable, or die – and long before they waste lots of money unlike government aid-financed development projects. So-called 'expert-engineered solutions' often guzzle billions before data is made available about their effectiveness (if it ever is). They are more like the discredited former Soviet planned economy. Alternatively, microfinance is a new breed of capitalism for the poor.

⁷⁶ An examination of the history of development assistance including the latest initiatives by Jeffrey Sachs at the Earth Institute reinforce the dominance of the global North in generating ideas, theories and trends and backing them with significant resources often channeled through governments of the global South.

The Campaign is truly a global movement based on the knowledge gained from poor women's survival skills and entrepreneurial abilities. It has reminded us through its reports and films that microcredit is a strategy that has the poorest women's fingerprints all over it. The Campaign's tradition of opening most plenary sessions with a short video of a microfinance client has been criticized as emphasizing anecdote and emotion over substance and data, but in fact it has helped humanize and ground discussions and the policy-makers who have them, particularly since some rarely if ever spend time with poor women. It honors their capabilities and recognizes that development is about having greater choices. The Campaign is well positioned—as a major node spanning diverse networks of practitioners, donors, academic institutions, and others—to be the perfect bridge to support these developments.⁷⁷ Like few others, the Campaign has demonstrated that it can create the will to take an idea, most notably the ground-breaking 100 million goal, and catalyze the international community to work to achieve it despite very limited resources available to the Campaign. We predict its impact will become more visible on the larger trends on poverty and other Millennium Development goals. It will be studied by students of social innovation and serve as a model for other global campaigns. We look forward to vastly different landscape in 2015.

⁷⁷ Network theory uses the concept of a "bridge" to characterize actors (organizations, individuals, etc.) that link together other actors from different networks, facilitating the flow of helpful information and innovation.

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Appendix A: Survey Instrument

Survey: The Microcredit Summit Campaign Goals

This is a survey about the Microcredit Summit Campaign's goals. The Microcredit Summit Campaign was originally launched in 1997 with the goal of reaching 100 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services by the year 2005.

This survey will be sent to a number of microfinance institutions. The results from the survey will be used in a paper being written by Vinod Khosla and Susan Davis with the Grameen Foundation, U.S.A. and presented at the Microcredit Summit in Halifax in November 2006.

Surveys should be returned by MAY 15, 2006 via email to Susan Davis (thisSDavis@aol.com) and Brooke Ricalde (bwr2006@gmail.com). If you have any questions, please direct them to Brooke Ricalde.

The following respondent identifying information will be kept confidential. However, we appreciate you providing it so that we might follow up with additional questions.

Name _____

Name of Microfinance Institution/Association Where You Work _____

Institution Phone Number _____

Institution Email _____

Institution Mailing Address _____

The survey begins on the next page.

A. General Information

Please indicate your response by typing an "X" next to your answer.

1. For how long have you worked in the microfinance institution where you are currently employed?
 - a. < 1 year
 - b. 1-5 years
 - c. 6-10 years
 - d. > 10 years

2. What department do you work in?
 - a. Management/Leadership
 - b. Development
 - c. Research
 - d. Education and/or Training
 - e. Client Services
 - f. Other

B. The Microcredit Summit Campaign

Please indicate your response by typing an "X" next to your answer.

3. How did your institution first learn about the Microcredit Summit Campaign?
 - a. Internet
 - b. Colleague
 - c. Conference
 - d. Word of Mouth
 - e. Brochure/article
 - f. Other: _____

4. Has your institution ever used one of the Microcredit Summit Campaign's instruments/tools (e.g., participatory wealth ranking or CASHPOR House Index)?
 - a. Yes
 - b. No

5. Has your institution ever sent (or is it planning to send) delegates to a global or regional Microcredit Summit?
 - a. Yes
 - b. No

6. Does your institution read reports from the Microcredit Summit Campaign (e.g., papers commissioned by the Campaign or the e-News Bulletin)?
 - a. Yes
 - b. No

C. Information about impact of the Microcredit Summit Campaign

The following questions should be answered according to the following scale:

- (1) Strongly disagree
- (2) Disagree
- (3) No opinion
- (4) Agree
- (5) Strongly Agree

Please indicate your response by typing an "X" next to your answer.

7. The Microcredit Summit's focus on the very poor has played a significant role in the field of microfinance in ensuring that the very poor also have access to credit.
(1) (2) (3) (4) (5)
8. The Microcredit Summit Campaign's identification and dissemination of two cost-effective poverty measurement tools that measure *relative* poverty (e.g., participatory wealth ranking and the CASHPOR House Index) played a key role in a new US law that calls for the development and use of cost-effective poverty measurement tools that measure *absolute* poverty.
(1) (2) (3) (4) (5)
9. The Microcredit Summit has played an important role in ensuring that social performance is emphasized in the field of microfinance.
(1) (2) (3) (4) (5)
10. The Microcredit Summit's focus on impact and using data collected to inform management decisions to improve social performance, for example through the paper commissioned in 1999 by Susy Cheston and Larry Reed, has influenced my thinking and/or the thinking of my institution.
(1) (2) (3) (4) (5)
11. The Microcredit Summit has played a significant role in pushing the field to focus more on contributing to the Millennium Development Goals.
(1) (2) (3) (4) (5)
12. The Microcredit Summit's focus on integrating microfinance with education in health has played an important role in demonstrating the importance of cost-effectively integrating microfinance with health education to enhance social performance in the field of microfinance.
(1) (2) (3) (4) (5)
13. The Microcredit Summit's focus on creating national autonomous

microcredit funds has influenced awareness of this mechanism within the field.

(1) (2) (3) (4) (5)

14. The Microcredit Summit Campaign's global and regional meetings, both through its learning agenda and through the global networking opportunities, have made a positive contribution to the field of microfinance.

(1) (2) (3) (4) (5)

D. The Future of the Microcredit Summit Campaign

Please indicate your response by typing an "X" next to your answer.

15. In your view, should the Microcredit Summit Campaign have set new goals for 2015?

- a. Yes
- b. No

16. Do you think the Microcredit Summit Campaign's new goals, measurable increases in (1) the number of poorest families reached and (2) the number of families who move above the \$1 a day threshold, are the right direction to look in?

- a. Yes
- b. No

17. What other areas would you like to see future goals target?

- a. Reaching the poorest of the poor
- b. Business services
- c. Integration of health education and services with microfinance
- d. Additional financial services, such as savings and insurance
- e. Rural microfinance
- f. Reaching new markets
- g. Capacity building
- h. Reaching more women
- i. Reaching more men
- j. Other: _____