

# **How RESULTS Activists Collaborated With Microcredit Leaders and High Government Officials to Build the Microfinance Movement**

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28 September 2006

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# TABLE OF CONTENTS

<b>I. INTRODUCTION</b> . . . . .	1
A. RESULTS is a Major Player	
B. The Microenterprise Field and the Movement	
C. RESULTS' Key Strategies for Building the Movement	
D. The Role of USAID	
E. Citizen Advocacy is Not Easy, but it Works!	
<b>II. BEGINNINGS OF THE MICROFINANCE MOVEMENT</b> . . . . .	8
A. Poverty and the World Banking System	
B. Early Poverty Focus of Microcredit	
C. The Peer Lending Model - The Grameen Bank	
D. The Village Bank Model - FINCA	
<b>III. OVERVIEW OF RESULTS' EARLY ADVOCACY</b> . . . . .	14
A. Early Years From 1980 to 1985	
1. Developing RESULTS' Action Model	
2. Learning to Work with the Media	
3. Expanding Outreach: The Personal Touch	
4. The First Legislative Campaign: The Global Primary Healthcare Initiative	
B. Principles of RESULTS	
1. Honor and Respect for Others ( <i>Namaste</i> )	
2. Possibility Thinking	
3. Empowering the Individual	
4. Leverage (Trimtabbing)	
5. Support (Formal and Informal)	
C. Alex Counts: RESULTS Volunteer to Microfinance Leader	
D. RESULTS' International Chapters and Microfinance	
<b>IV. BUILDING THE MICROFINANCE MOVEMENT:     WINNING ALLIES</b> . . . . .	34
A. An Early Ally - IFAD	
B. The Anti-Poverty Coalition - RESULTS, Grameen, and FINCA	
C. Legislative Champions	
D. The Microenterprise Coalition	

<b>V.</b>	<b>BUILDING THE MICROFINANCE MOVEMENT: EFFECTIVE MEDIA AND LEGISLATION</b>	41
	A. Media as a Support for Legislation and Movement Building	
	B. A Few Key Legislative Actions	
	C. Self-Sufficiency for the Poor Act of 1987	
	D. Ensuring Implementation: "Where Credit Is Due" Report and GAO Report	
	E. Focus on Appropriations - 1988 through 1999	
	F. Microenterprise for Self-Reliance Act of 2000	
	G. The Amendments Bill-2003 (and the "Grand Compromise")	
	H. Microenterprise Results and Accountability Act of 2004	
<b>VI.</b>	<b>BUILDING THE MICROFINANCE MOVEMENT: HIGH-IMPACT EVENTS</b>	61
	A. Events as a Support for Movement Building	
	B. An Audacious Idea	
	C. The Microcredit Summit: Birthing a Movement	
	D. The Microcredit Summit Campaign: Tracking the Performance of the Movement	
<b>VII.</b>	<b>RESULTS' CONTINUING ROLE</b>	69
	A. Ending Poverty	
	B. Reaching the Millennium Development Goals	
	C. Influencing the World Bank	
	D. Commercialization of the Field	
	E. Continuing to Build the Movement	
	F. Eternal Vigilance	
<b>VIII.</b>	<b>CONCLUSION</b>	83
	<b>ACKNOWLEDGEMENTS</b>	85
	<b>INTERVIEWS, CONFERENCE CALLS, AND A SPEECH</b>	86
	<b>BIBLIOGRAPHY</b>	87
	<b>U.S. CONGRESSIONAL LEGISLATION</b>	89

# **How RESULTS Activists Collaborated with Microcredit Leaders and Legislative Champions to Build the Microfinance Movement**

*“. . . without the coalition of Grameen, FINCA, and RESULTS, and the citizen action they generated, the microfinance field would never have developed into the major movement that it is today, because all the powers that be . . . would have killed it many times over if they had had the opportunity . . . but the political winds created by citizen action were too strong to ignore . . .”*

-Chris Dunford, Freedom from Hunger<sup>1</sup>

*“Politicians are always holding up their fingers to test the direction of the political winds . . . You in RESULTS have changed the direction of the winds . . .”*

Rev. Jim Wallis, Sojourners Magazine<sup>2</sup>

## **I. INTRODUCTION**

### **A. RESULTS is a Major Player**

A small grassroots citizens' lobbying organization, appropriately named RESULTS, has been changing the direction of the political winds for over 25 years. In the microfinance movement, it is not an exaggeration to say that the role played by RESULTS has been crucial. Since 1985, this extraordinary organization has played a major role in every stage of development of the field. Its lobbying has brought over \$2 billion in U.S. foreign aid into the field. In collaboration with its allies in the Anti-Poverty Coalition, RESULTS held a Microcredit Summit that launched the microfinance movement which now includes over 1,000 organizations and over 100 million borrowers. Its recent legislation has created the requirement that cost-effective poverty-measurement tools be developed to ensure that the millions of very poor people are reached and brought out of poverty. Yet, in a recent review of

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<sup>1</sup> Chris Dunford, taped interview by the author, 7 April 2006.

<sup>2</sup> Reverend Jim Wallis, founder and editor of *Sojourners Magazine* and Convener of *Call to Renewal*, in a passionate speech to 300 RESULTS activists at the Congressional breakfast, 26th RESULTS International Conference, 11 July 2006.

the microfinance field published in the widely-read magazine, *The Economist*, the role of RESULTS and its greatest project, the Microcredit Summit Campaign, was not even mentioned.<sup>3</sup>

What is this little-known organization named RESULTS that has had such a big impact on the microfinance movement? It is, first and foremost, an all-volunteer international grassroots citizen's advocacy organization with a small staff in Washington, D.C. and branches in six other countries.<sup>4</sup> Its purpose is to create the political will<sup>5</sup> to end hunger and severe poverty and to empower individuals to have breakthroughs in exercising their personal and political power. RESULTS is two organizations. RESULTS, Inc. is a 501(c)(4) non-profit lobbying organization focused on changing policies and funding levels in Congress and Parliaments around the world. RESULTS' sister organization, RESULTS Educational Fund, Inc., is a 501(c)(3) non-profit educational organization that produces events, conducts research, and undertakes other educational activities. Both organizations will be referred to as "RESULTS" in this paper.<sup>6</sup>

RESULTS was founded by Sam Daley-Harris,<sup>7</sup> a former music teacher from Florida. The organization has hundreds of volunteer activists in the United States and six other countries who focus on a few key hunger and poverty issues each year. RESULTS volunteers have been actively working on microfinance issues for over 20 years.

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<sup>3</sup> [Tom Easton], "The Hidden Wealth of the Poor: A survey of Microfinance", Insert in *The Economist Magazine*, November 5th, 2005, 14 pages. In fact, the entire "social goal" of ending poverty was basically ignored in favor of financial issues.

<sup>4</sup> The six countries are: Canada, U.K., Mexico, Australia, Germany, and Japan.

<sup>5</sup> "Political will" is the intent and actions of legislatures and governments to accomplish a desired political task, through legislation or funding, almost always in response to pressure from citizens, media, industry groups, or other stakeholders.

<sup>6</sup> Donations to RESULTS, Inc. *are not* tax deductible. Donations to RESULTS Educational Fund, Inc. *are* tax deductible.

<sup>7</sup> Sam Harris was known by that name when he started RESULTS in 1980. In 1995, he married Shannon Daley and both changed their last names to Daley-Harris. In this paper, he will be called Sam Daley-Harris, even in the early period before he took that name. He will also frequently be referred to simply as "Sam".

RESULTS is the only citizen's advocacy organization that has played a significant role in the microfinance movement. For over 20 years, the organization has played two key roles: (1) Building the microfinance movement, in collaboration with key microcredit leaders and champions in Congress and Parliaments around the world; and , (2) keeping the focus of the movement on serving the very poor and getting them out of poverty. To do this, RESULTS established and gained widespread acceptance of a single measurable goal for the movement, which is to reach "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".

## **B. The Microenterprise Field and the Movement**

In only 30 years, the microenterprise field has grown from a few hundred borrowers in scattered locations in Brazil, Bolivia, Bangladesh, Indonesia, and India into a major microfinance movement. By the end of 2004, this movement had extended "microcredit", in the form of loans for self-employment, to over 66 million borrowers who were surviving on less than \$1 per day when they became microenterprise clients.<sup>8</sup> This movement has become increasingly well known. In fact, in 2005, the U.N. recognized the movement by designating the entire year as the Year of Microcredit.<sup>9</sup>

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<sup>8</sup> The 66 million figure for borrowers living on less than \$1 per day may be found in Sam Daley-Harris, *State of the Microcredit Summit Campaign Report 2005* (Washington, D. C.: Microcredit Summit Campaign, 2005), 24. The same report shows that over 92 million total borrowers were being served at the end of 2004.

<sup>9</sup> A note about terminology. The first term for the field was "microenterprise", which was used by USAID as early as the 1960s to indicate very small businesses that employed under 20 employees. In the 1970s, the term came to refer to a program that provides loans to tiny self-employment businesses, frequently including training and other business services. The term "microcredit" came into vogue with the Grameen Bank and indicated a program that issued tiny loans for self-employment businesses without providing any training. The term, "microfinance" is preferred by the World Bank, IMF, major banks and other financial institutions, and by universities. It has become the generic term that indicates all programs that provide self-employment loans, with or without training, and other financial services such as savings, investment, insurance, and so on. In this paper, all three terms

This paper distinguishes between the microfinance field and the microfinance movement. Microfinance is a field, defined as “a realm of knowledge or of special work or opportunity”, that has techniques, sound practices, financing methodologies, cost containment strategies, client retention strategies, and a growing body of shared knowledge about innovations in scaling up and achieving self-sufficiency. The field has been built, step by difficult step, by the entrepreneurs and visionaries who first saw that providing access to credit was one of the best ways to empower millions of the very poor to lift themselves out of poverty.

Microfinance is a movement, in the sense that it is a “series of organized activities by people working concertedly toward some goal”.<sup>10</sup> When RESULTS and its allies created a goal to reach 100 million “of the world’s poorest people”, and then organized a Microcredit Summit to introduce the goal, the microenterprise field was turned into a poverty-elimination movement. Recently, the movement has shifted even more directly toward ending poverty as RESULTS and the Microcredit Summit Campaign have shifted the goal from reaching 100 million borrowers with loans by 2005 to the Millennium Development Goal of cutting absolute poverty in half by 2015.

### **C. RESULTS’ Key Strategies for Building the Movement**

While RESULTS has never written down its key strategies for building the microfinance movement, they may be distilled from its consistent actions over the years. These key strategies are: (1) Attract powerful allies - RESULTS has excelled at attracting powerful allies. One group, an informal Anti-Poverty Coalition composed of Professor Muhammad Yunus (Grameen), Dr. John Hatch (FINCA), and Sam Daley-Harris (RESULTS) has continued for

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will be used somewhat interchangeably to refer to loan programs that include some sort of repayment and business support aimed at lifting the borrowers out of poverty. In this paper, these terms do *not* refer to loans from money lenders or cash machines where there is no support for getting the borrower out of poverty.

<sup>10</sup> Definitions for “field” and “movement” are taken from *Webster’s New World Dictionary: College Edition*, 1980.

20 years. Other allies, such as UNICEF and Bread for the World, have worked with RESULTS for a period of years and then the intensity of the relationship has waned. (2) Identify leverage points (trimtabs) - A leverage point is an action, a person, or an event where a small amount of pressure can have a big impact. RESULTS calls such leverage points "trimtabs".<sup>11</sup> One of the keys to RESULTS' success over the years has been an almost uncanny ability to select trimtabs that have had significant impact in several fields, including microfinance. (3) Select key legislative actions - Over the last 20 years, working with allies in the Anti-Poverty Coalition and legislative champions, RESULTS has excelled at selecting a small number of key legislative actions to pursue. RESULTS' legislation has created a formal legislative framework for the field, kept it focused on poverty elimination, and required it to utilize poverty measurement tools to document progress. (4) Cultivate legislative champions - RESULTS' staff and its network of grassroots activists have been extremely successful at identifying and cultivating champions for RESULTS' issues. This has been particularly true in the microenterprise area where more than 10 champions have introduced key legislation and, in several cases, have worked with RESULTS for many years. (5) Make effective use of the media - RESULTS is known for its effective use of the media. RESULTS activists and staff have organized many hundreds of media events to support legislative campaigns and to build the microfinance movement. (6) Organize high-impact events - Along with the many media events held by RESULTS, there have also been hundreds of forums, conference panels, and other events organized by RESULTS volunteers to educate the public and to help build the movement. In addition, RESULTS organized two massive events, the World Summit for Children Candlelight Vigils in 1990 and the Microcredit Summit in 1997, which generated huge amounts of media and public attention.

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<sup>11</sup> A "trimtab" is a small rudder on the end of the large rudder of a ship. It can be turned with very little force. See Section III.B. on RESULTS' principles for an explanation of this powerful concept.

## **D. The Role of USAID**

The United States Agency for International Development (USAID) is the agency of the State Department that dispenses and manages U.S. foreign aid funding. As such, it is the ultimate trimtab for RESULTS. It is a small agency, yet it dispenses funding, implements Congressional mandates, and makes policies and regulations that affect all development institutions in the world that receive U.S. foreign aid (which is most development institutions). In addition, even though U.S. foreign aid is only a tiny percentage of the overall U.S. budget, the size of that budget dwarfs most others in the world so the amount of U.S. foreign aid overshadows most other countries' foreign aid distributions. The Agency has provided over \$2 billion of funds to almost all of the larger microfinance institutions in the past 20 years. Finally, because of the military, economic, scientific, and cultural dominance of the U.S. in the world, most countries watch what the U.S. does and then follow suit. So when RESULTS is able to affect the funding and policies of USAID, there is an impact throughout the development community in the entire world.

For the first twenty years of RESULTS' relationship with USAID, the Agency usually actively opposed RESULTS' efforts. In general, the Agency does not appreciate mandates or earmarks which restrict its freedom to design and implement its own programs in response to the priorities it receives from the Executive branch. Nevertheless, most of the programs that are most popular with the American people, such as child immunizations, basic education, clean water, aid for victims of diseases and disasters, and support for microenterprises, came about as a result of citizen pressure on Congress which then passed legislation requiring that USAID implement a program, policy, or funding. And RESULTS has been involved for many years in advocating for all of these popular programs.

In the last few years, relations between USAID and RESULTS have improved. In recent RESULTS legislation, the Office of Microenterprise Development in USAID was strengthened and given a stronger role in the evaluation of microfinance institutions' strategic plans. Also, as will be shown below, the "Grand Compromise" worked out in 2003 by the Microenterprise Coalition and RESULTS and USAID has provided a framework for the development of cost-effective, field-friendly poverty assessment tools to determine the poverty levels of incoming and current clients. Initially resisted by the field and by USAID, all parties now have embraced the challenge of developing such tools. This common effort has provided a basis for RESULTS and USAID and the microenterprise practitioners to find common ground in the pursuit of better ways to serve the very poor and for getting them out of poverty.

#### **E. Citizen Advocacy is Not Easy, But it Works!**

Citizen advocacy is not easy, and making champions out of Members of Congress or Parliaments around the world is also not easy. It takes powerful, committed speaking, a talent for choosing the right issues and actions at the right time, and patient, determined, even "dogged" legislative work and relationship-building over many years. But for those willing to commit themselves to the cause of ending hunger and severe poverty, successful actions can be very rewarding. And, in the end, effective citizen advocacy works!

Stephen Lewis, U.N. Special Envoy for HIV/AIDS in Africa, and a former legislator and high government official in Canada, beautifully summarized the character of RESULTS activists' persistent advocacy in a keynote address at a recent RESULTS 25th anniversary event:

*"RESULTS is one of the most effective [advocacy] organizations anywhere in North America . . . It's the dogged, tenacious indefatigability of RESULTS activists and volunteers that continually keeps the pressure on and gives to the substance of*

*a citizen's movement a kind of electricity which helps to mobilize public policy and public opinion. And they've understood, as very few organizations do understand, that applying continuing pressure to the political apparatus is the way you get change in public policy, and to do it repetitively and consistently is the way in which you win credibility and authenticity . . . There is great power . . . in the RESULTS movement . . . because this is the way social change occurs . . . the vineyards of social change are not easy to cultivate, and the one thing about RESULTS [volunteers] which is so predominant is their persistent, tenacious activism . . . And there is a quality in that substantial intellectual coercion which I've come to treasure . . .*<sup>12</sup>

After reading this paper, it is hoped that the reader will also come to treasure RESULTS' "tenacious activism". This paper attempts to provide answers to questions about how RESULTS was able, with very few resources, to build a massive microfinance movement. Hopefully, the amount of detail provided in this paper will prove useful to readers seeking ideas, inspiration, and guidance for mounting citizen advocacy campaigns in support of microfinance in their own countries around the world.

## **II. BEGINNINGS OF THE MICROFINANCE MOVEMENT**

*"Poverty is the worst malignancy on earth. Many of the 'causes célèbres'<sup>13</sup> in the world today- AIDS and other infectious diseases, terrorism, environmental degradation, illiteracy, malnutrition, human rights abuses, human trafficking, narcotics trafficking, illegal immigration, ideological intolerance, tyranny, genocide, debt slavery – have their roots in this seminal evil, the brutal daily indignities of mind-numbing poverty."*

*-Kirk Magelby<sup>14</sup>*

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<sup>12</sup> Stephen Lewis, U.N. Special Envoy for HIV/AIDS in Africa, *Keynote speech at RESULTS 25th Anniversary Event*, Seattle, Washington, 4 November 2005, Videocassette.

<sup>13</sup> French, literally "celebrated causes", meaning the major causes in the world today.

<sup>14</sup> Kirk Magelby, *MicroFranchises As a Solution to Global Poverty* (Salt Lake City, UT: Microfranchises.org, Ascend, 2006), 8-9.

## **A. Poverty and the World Banking System**

Even though poverty may be the “worst malignancy on earth”, it has been inadequately addressed, and often made worse, by the traditional banking system that spread throughout the world in the twentieth century. By the late 1940s, in the post-war wave of independence movements that ended the colonial era, the spread of prosperity enjoyed by the western democracies was largely missed by the 150 or so newly independent former colonies. Dictatorial regimes became the rule, supported by both sides of the Cold War. The banking system in most countries became firmly controlled by the ruling elites for their own benefit. Poor countries sank deeper into poverty as various development schemes in the 1960s and 1970s financed massive projects like dams and superhighways that displaced millions of peasants from their land and forced them to join the growing ranks of the landless poor. Money lenders, the only source of capital for most poor people, with their usurious interest rates and pitiless enforcement practices, ended up owning increasing amounts of land formerly owned by peasants who defaulted on loans after war, drought, or flood. In the U.S. banking system, the early focus was on serving the small depositor and loan recipient, in addition to the wealthy. However, the major banking systems in most developing countries focused primarily on the wealthy and excluded the poor as unbankable, unreliable, and untrustworthy. By the 1970s, the flow of landless poor into the slum areas in major cities had increased exponentially. Some found work for awhile in the factories, but most survived on the most demeaning types of labor, such as working in sewers, breaking rocks, and running rickshaws (the “human horses” of Calcutta). Many desperate individuals turned to petty crime and prostitution to eke out a meager existence on the mean streets.<sup>15</sup>

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<sup>15</sup> For an excellent portrayal of the conditions that forced newly landless poor into the cities, see Dominique Lapierre, *The City of Joy* (Boston, MA: G. K. Hall & Co., 1986).

## **B. Early Poverty Focus of Microcredit**

*"The child was diseased at birth, stricken with an hereditary ill, that only the most vital of men are able to shake off. I mean poverty . . . the most deadly and prevalent of all diseases."*

- Eugene O'Neill<sup>16</sup>

Many thoughtful observers in the 1960s and 1970s were disturbed by the growing poverty and despair of the world's poor. In the developing world, there are almost no jobs for most poor people, who ". . . are forced into self-employment in the informal sector whether they like it or not".<sup>17</sup> These millions of tiny self-employment businesses lack structure and access to capital, and seldom generate profits. Like many observers at the time, the visionaries who started the first fledgling microcredit institutions noticed that these conditions doomed the people operating these businesses to an endless cycle of poverty.<sup>18</sup> But unlike most observers, these enterprising leaders decided to do something about these deplorable conditions. They established programs designed to interrupt the cycle of poverty by providing small loans for business start-up or expansion and, significantly, *a system that supported repayment and business success*. These early programs formed the basis for what became known as "microenterprise".

Nobody is quite sure where the *idea* of microenterprise originated.<sup>19</sup> Small self-lending circles had existed for hundreds, maybe thousands, of years in Africa, Asia, and Latin America.<sup>20</sup> The idea of microenterprise occurred to a

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<sup>16</sup> Eugene O'Neill, as cited in a 1994 FINCA introductory video.

<sup>17</sup> Kirk Magelby, *MicroFranchises As a Solution to Global Poverty*, 4.

<sup>18</sup> The cycle of poverty is low income, no savings, no new investment, no productivity increases, low income. See John Hatch in a 1994 FINCA introductory video.

<sup>19</sup> As of this writing, Jonathan Morduch, an NYU professor and co-author of *The Economics of Microfinance*, is working on a book that will explore the origins of the *idea* of microenterprise.

<sup>20</sup> These circles have names like *susu* and *tontine* in Africa, *chit funds* in India, *partners* in Trinidad, *box hands* in Guyana, and *tandas* in Mexico. Collectively, Jeff Ashe, of Oxfam, calls these systems ROSCAs (Revolving Savings and Credit Associations). All of these traditional group systems involve pooled savings contributed by the members, with withdrawals by one member at a time to fund

variety of innovators, located in different parts of the world, with no knowledge of each other. All these innovators had at least one thing in common – they believed that the poor needed and could utilize very small amounts of credit to fund income-generating activities that would benefit themselves and their families.

A few microenterprise institutions, such as ACCION and Opportunity International, experimented with tiny loans to individuals in Latin America and elsewhere beginning in the early 1970s. Microcredit, using a “solidarity group”<sup>21</sup> model, appears to have begun in the late 1970s in the Dominican Republic.<sup>22</sup> At most, these programs had a few hundred borrowers as late as the mid-1980s. This “boutique” scale was typical of most early microfinance institutions.<sup>23</sup>

Two microfinance institutions that learned very early how to scale up their operations while continuing to focus on the poor were the Grameen Bank, operating in Bangladesh, and FINCA, operating originally in several locations in Latin America. These organizations invented two of the most common types of “solidarity group” models for microenterprise. They have also

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purchases or businesses. See Jeffrey Ashe, “Saving For Change: Saving and Lending Groups for the Poor” (Boston, Massachusetts: Oxfam America, 29 December 2005, photocopied), 1-2. For a thorough discussion of ROSCAs, see Beatriz Armendáriz de Aghion and Jonathan Morduch, Chapter 3, “Roots of Microfinance: ROSCAs and Credit Cooperatives”, in *The Economics of Microfinance* (Cambridge, MA: The MIT Press, 2005), 57-84. ROSCAs form the basis for the modern savings-led model of microenterprise.

<sup>21</sup> It is outside the scope of this paper to discuss at length the various models of microfinance. The “solidarity group” model involves tiny loans to individuals within a group that jointly guarantees each loan.

<sup>22</sup> Jeffrey Ashe, taped interview by the author, 15 April 2006. Jeff tells the story of being on a consulting assignment for ACCION in San Salvador, Dominican Republic, in 1979 and discovering a small cooperative named Fedecredito that had a fully developed solidarity group lending model. He brought it to the attention of ACCION executives, who liked it and decided to implement it in several of their programs in Latin America.

<sup>23</sup> Alex Counts, Roshaneh Zafar, and Erin Connor “Factors That Contribute to Exponential Growth: Case Studies for Massive Outreach to the Poor and Poorest” (Washington, D.C.: Microcredit Summit Campaign, 26 January 2006, unpublished draft paper). Alex gives credit to Judith Tendler of the Ford Foundation for coining this term. Alex calls in his paper for a massive scaling up of the field.

partnered with RESULTS for more than 20 years in efforts to build the microfinance movement through legislation, media work, public events, and other movement-building activities.

### **C. The Peer-Lending Model - The Grameen Bank**

The Grameen Bank of Bangladesh was arguably the first microcredit organization to achieve major growth and substantial scale.<sup>24</sup> Founded in 1976 by Professor Muhammad Yunus, an American-trained Bangladeshi economist, Grameen created the peer-lending organizational model (sometimes referred to as a type of “solidarity group” model) where groups of five women received individual business loans, were supported to help each other succeed in their businesses, and jointly guaranteed all five loans in the group. Weekly payments were small and understandable and all business loans were one year in length. The groups met weekly at a Center, composed of 5-7 groups, to make loan payments and to support each other’s business success (currently in the Grameen II model, as many as 10 groups can meet together). This group and Center structure, and the famous “Sixteen Decisions”,<sup>25</sup> fostered self-esteem and a culture of mutual accountability that supported high loan repayment rates, high savings rates, and low levels of business failure.

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<sup>24</sup> Bank Rakyat Indonesia (BRI) had significant numbers of poor borrowers and savers in the late-1980s, after a major “downscale” reorganization was completed in 1986. However, the institution was primarily a traditional bank providing very small loans and savings for any purpose at that time. Later, it added solidarity groups and other business support models to its services, becoming a full microenterprise organization in part of its operations.

<sup>25</sup> The “social constitution” of the Grameen Bank, created at a 1984 workshop by Grameen group leaders and staff – the sixteen decisions call for following the principles of discipline, unity, courage, and hard work, growing and eating vegetables, sending children to school, keeping the environment clean, keeping family size small, and abhorring dowry, among others. See Muhammad Yunus, *Banker to the Poor: Microlending and the Battle Against World Poverty* (New York: Public Affairs, 1999), 135-136.

By 1983, the Grameen methodology was well established but efforts to involve the national banks in Bangladesh had met with frustrating failures. Professor Yunus worked to get legislation passed in 1983 that converted the Grameen Bank project into the Grameen Bank, a for-profit lending institution permitted to operate only in the rural areas of Bangladesh. At that time, Grameen had nearly 100,000 borrowers in five districts and 1,000 employees. It was setting new standards for scale, outreach, and impact in what would become known as the “microfinance sector”.<sup>26</sup>

#### **D. The Village Bank Model - FINCA**

FINCA (The Foundation for International Community Assistance) did not become a major organization in the field until 1990. But the founder, Dr. John Hatch, was a major player in the efforts to generate interest and public attention for the field as early as 1983. Indeed, without any knowledge of the Grameen Bank in far off Bangladesh, John Hatch invented another type of “solidarity group” model which he called “Village Banking”. In his yet-to-be-released book about FINCA, John tells the story of his “epiphany” one day in 1983 on a flight to La Paz, Bolivia, where he got the idea for the village banking model almost intact.<sup>27</sup> In this model, the loan officer goes to a village, explains the concept, and asks the village elders to choose 50 impoverished women who could use a \$50 loan to start or expand a business. A contract is signed with the village elders, 50 loans are issued for four-month terms to very poor women, and the women jointly guarantee all of the loans. Four months later, the loan officer returns, collects the payments of principal and interest, and issues new loans for the original amounts plus any savings that the women set aside.

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<sup>26</sup> Alex Counts, *Give Us Credit* (New York: Random House, 1996), 60.

<sup>27</sup> John Hatch, *The Tools of Hope: The Story of FINCA Village Banking* (Washington, D.C.: FINCA International, 2002), 14. Not yet released. John plans to revise and release the book for general distribution after his retirement in 2006.

In 1983, John Hatch convinced USAID to provide a \$1 million grant to test the model in Bolivia. In the next two years, while perfecting the methodology, John was able to start 433 village banks benefiting 17,000 mostly rural clients. Unfortunately, USAID had a change of staff and priorities in 1985 and the program was shut down. But John continued to promote the model. From 1985 to 1989, he traveled throughout the developing world and presented workshops on the Village Banking model and methodology to over 35 of the major microfinance institutions<sup>28</sup>. In 1989, John and his wife, Mimi, wrote "A Manual of Village Banking--For Community Leaders and Promoters". As a result of the manual and the workshops, the Village Banking model was implemented in over 800 programs in many Latin American locales and as far away as Africa and Asia.

FINCA's big break came in 1989, when USAID awarded the organization a \$9 million grant to expand its El Salvador operations. Between 1990 and 1993, FINCA opened over 1,200 village banks in the urban and peri-urban areas of El Salvador, making it one of the largest programs in Latin America with, by far, the largest commitment of microfinance funds by USAID up to that time.

### **III. OVERVIEW OF RESULTS' EARLY ADVOCACY**

*"When I was a student at Cornell, the activism was about stopping things: stopping wars in Central America, stopping Apartheid, stopping funding these things . . . so I was getting turned off to activism. And then I came across RESULTS, with a very positive agenda, citing positive examples, and none touched me more than microcredit . . . Then I became an intern in the RESULTS office [during the Spring of 1987]. I felt like I was at the cutting edge of international development, the cutting edge of ending world poverty . . . Then my mentor, Michael Rigby [RESULTS' Legislative Director] suggested that I go to Bangladesh for a year after I graduated. Nobody from*

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<sup>28</sup> In an email memo dated 5 June 2006, John stated that the 35 NGOs included CARE, Save the Children, Catholic Relief Services, Foster Parents Plan, World Vision, Freedom from Hunger, Rotary, and dozens of host-country NGOs.

*RESULTS at that point had been to Bangladesh. We had just seen videos and read articles and heard Congressional testimonies . . . That's the whole ethos of RESULTS, pulling ordinary people up to do extraordinary things. So that's what I decided to do. I was going to go to Bangladesh, immerse myself in microcredit, report out to RESULTS, and my career would evolve from there . . . and it did!"* -Alex Counts <sup>29</sup>

## **A. Early Years from 1980 to 1985**

Sam Daley-Harris liked to say that he had the right background when he started RESULTS in 1980. He had been a music teacher in Miami and part-time percussionist in the Miami Symphony. He had recently moved to Los Angeles, where he was a part-time music teacher and aspiring songwriter. He had a bank account balance of nearly zero. And he had a fire in his belly for ending hunger.

Sam Daley-Harris had learned about the possibility of ending hunger from The Hunger Project, an organization that was founded in 1977 to "make the end of the persistence of hunger by the end of the century an idea whose time has come."<sup>30</sup> He had spent three years learning about hunger issues and making presentations at High School assemblies on ending hunger. He reports in his book about RESULTS, *Reclaiming Our Democracy*, that he spoke to 7,000 students and only 200 knew the name of their member of Congress.<sup>31</sup> In 1980, after helping to organize an event called *The Los Angeles World Hunger Event*, Sam created RESULTS with the original purpose of "creating the *political will* to end hunger". This purpose came from the Hunger Project's focus on raising people's consciousness that hunger *could* be ended except that the *political will* was lacking. Hunger Project source materials at the time referred to reports by the Presidential

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<sup>29</sup> Alex Counts, taped interview by the author, 13 April 2006. Alex is the co-founder and President of Grameen Foundation USA.

<sup>30</sup> Hunger Project website, [www.thp.org](http://www.thp.org), section on "Frequently Asked Questions".

<sup>31</sup> Sam Daley-Harris, *Reclaiming Our Democracy* (Philadelphia: Camino Books, 10<sup>th</sup> anniversary ed., 2004), 3.

Commission on Hunger and the National Academy of Sciences World Food and Nutrition Study which made the point that, while there were enough resources to feed everyone on the planet, what was lacking was the *political will*.

RESULTS was an all-volunteer organization until October 1984, when Sam moved to Washington, D.C. In the period from 1980 to 1984, Sam was a substitute music teacher and his office for making telephone calls to Congress and the media was a phone booth behind the Junior High School where he taught. During that period, the fledgling RESULTS organization was formed and the first major actions taken.

The first major actions taken by RESULTS were: (1) Developing the RESULTS Action Model; (2) Undertaking the first major media actions; (3) Starting many new groups around the country, and (4) Conducting the first successful national legislative campaign.

**1. Developing RESULTS' Action Model** – Sam Daley-Harris, along with an English teacher in Pasadena named Dorsey Lawson, and others completed the development of RESULTS' initial "Action Model" by 1984.<sup>32</sup> They designed three monthly meetings: a national conference call about the issues, a powerful speaking practice session, and an Education and Action meeting for newcomers to learn to powerfully deliver a two-minute laser talk and to write passionate and effective letters to the editor and to Congress. Sam felt strongly that partners needed to be prepared to quickly deliver short, heartfelt "laser talks" without notice, in order to speak convincingly to Congressional staffers, Members of Congress, editorial writers, and all other influential people. During that period, a basic group included four "partners" who agreed to attend the meetings and to contribute a minimum of \$25 per year. One of the "partners" agreed to serve as a group leader. All "partners"

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<sup>32</sup> Sam Daley-Harris, *Reclaiming Our Democracy*. Chapter 25: "How to Do It! RESULTS' Innovations", 215-224.

were encouraged to attend the annual international training and lobbying conference held in Washington, D.C. in June or July, and over 80% usually did so.<sup>33</sup> This is essentially the Action Model that continues to this day, although the number of monthly meetings has been reduced, the partner agreements have been slightly modified, and a group of about 10 volunteer Regional Coordinators has been recruited to coach the Group Leaders on weekly conference calls.

**2. Learning to Work with the Media** – During the run-up to the 1982 elections, Sam and RESULTS volunteers held three political forums for candidates for one U.S. Senate seat on the issue of hunger. They called everybody they knew and finally were able to pull together an advisory committee, to attract celebrities, to attract the media, and to attract the 11 candidates. The forums were successful and well attended, but the real gain for RESULTS was in learning how to work with the media for the first time. Sam describes the results:

*"During the three candidate forums that year, we had specific events to promote and, of course, the celebrities. First we decided which radio and television interview programs we want to get on. Then we found out the names of the producers . . . We called and called and called. We generated 13 television interviews, 23 radio interviews, 4 television editorials, 7 feature articles, more than 12,000 personally written letters urging the candidates to attend, and 14 members of congress at the three . . . forums."<sup>34</sup>*

The forums also generated a referral from a reporter to an editorial writer on the Los Angeles Times Editorial Board. For several weeks, Sam had been calling the Times and leaving messages with no response. This time, armed with a referral, he screwed up his courage and called Kay Mills, one of the writers on the Times Editorial Board. He was excited when she took his call.

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<sup>33</sup> Sam Daley-Harris, *Reclaiming Our Democracy*. Chapter 24: "How to Heal the Break Between People and Government, The Presentation is the First Step", 201-214.

<sup>34</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 7.

Using all of the powerful speaking skills he had been developing at Education and Action meetings, Sam gave her several laser talks about the hunger issues he felt were important. Ms. Mills agreed to do an editorial on one of the issues. This resulted in Sam's and RESULTS' first editorial . . . which appeared in the Los Angeles Times in 1982. Upon seeing the editorial, Sam remarked that he "realized that making a difference wasn't a function of [the right bank account, the right training, the right job]. It was a function of commitment and persistence."<sup>35</sup>

**3. Expanding Outreach: The Personal Touch** – Between October 1983 and March 1985, Sam made five 21-city trips using a ticket promotion offered by Eastern and Delta Airlines. The purpose was to start new groups, and thereby expand the coverage of Congressional districts, as well as to increase the financial base of the fledgling organization. Usually, Sam relied on calling lists of members of The Hunger Project in each target city. When he arrived in each city, he would be met, escorted to the location of an outreach meeting, present the RESULTS opportunity as passionately as he could, and then sleep that night, frequently on his host's couch. The next morning, he was off again to another city. In this way, Sam built up the organization from the 1983 level of 12 groups (about 60 partners) in three states with an annual budget of \$15,000, to a 1985 level of 50 groups (about 250 partners) in 33 states with an annual budget in excess of \$53,000.<sup>36</sup> All this happened while RESULTS was still an all-volunteer organization.

**4. The First Legislative Campaign - The Global Primary Healthcare Initiative** – Initially, Bread for the World, a Christian anti-hunger advocacy organization, provided RESULTS with legislation to support and lobbying ideas. Then RESULTS volunteers, in their Education and Action

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<sup>35</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 8.

<sup>36</sup> One of the 21-city stops in 1983 was in Denver, home city of the author. Sam Daley-Harris met with Mel Yost, a 56-year-old truck driver for Safeway, Linda Lucero, and several other Hunger Project people, and they started a RESULTS group. The author and his wife joined later, in 1986, as half-a-partner each.

meetings, wrote about the legislation in letters to Congress or letters to the editor addressed to their local newspapers.

However, all that changed in 1984, when RESULTS mounted its first national legislative campaign. The impetus came from Bread for the World, which had decided to focus its annual letter-writing campaign on a call for the creation of a Child Survival line in the Foreign Aid budget. RESULTS groups wrote letters on the establishment of the line-item and it eventually passed and was funded at \$25 million.

Early in 1984, Sam had purchased 21 copies of "Next Thing to a Miracle", a segment on ABC's 20/20 show, narrated by Hugh Downs, a famous TV journalist at that time. The segment enthused that Oral Rehydration Therapy (ORT) could revive a child near death from diarrheal dehydration. The child could be brought back to life with the application of a simple formula which, at its most basic, consisted of a pinch of salt, a fistful of sugar, and water.<sup>37</sup> Sam and a number of volunteers called many Congressional offices to find initial sponsors for a bill that would fund ORT and other primary health interventions for the poor throughout the world.<sup>38</sup> Finally, Representatives Tony Hall (D-OH)<sup>39</sup> and Frank Wolf (R-VA) introduced H.R. 6117, the Global Primary Health Care Initiative, on 9 August 1984. Not long after, on 13 September, an identical bill, S. 4241, was introduced in the Senate by Senator John Melcher (D-MT).<sup>40</sup> RESULTS volunteers mounted their first

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<sup>37</sup> Shown in the video were packets of ORT produced by UNICEF which contained a blend of salt, sugar, potassium, and baking soda. RESULTS groups disseminated the video to Congressional offices. It was shown on C-SPAN.

<sup>38</sup> The bill was intended to implement the UNICEF "GOBI" program: Growth Charts (to track babies' growth), Oral Rehydration Therapy, Breast Feeding, and Immunization (of all the world's children).

<sup>39</sup> Tony Hall became RESULTS' first "champion" in Congress. He helped with many bills in succeeding years and spoke out on RESULTS' issues. In 1989, he became Chairman of the House Select Committee on Hunger after Rep. Mickey Leland died in a plane crash. From that "bully pulpit", he held hearings and spoke out in favor of RESULTS' Child Survival funding campaigns and eventually its microenterprise bills.

<sup>40</sup> The original bill called for 5% of the Economic Support Fund (normally used for security programs) to be "earmarked" (reserved) for primary health care. This would have generated \$144 million in funding for global primary health care.

editorial campaign and generated many editorials around the country. Ultimately, the measure passed both houses and went to a conference committee where the final bill provided \$50 million in *new money* for primary health and \$10 million in *new money* for nutrition!<sup>41</sup> These funds were in addition to the \$25 million that also passed that year for the Child Survival fund. After the victory, an exuberant Representative Tony Hall wrote to RESULTS:

*"I want to take this opportunity to thank and congratulate you and all RESULTS members across the country who worked so hard on the Global Primary Health Care Initiative . . . The work of the RESULTS participants . . . was truly extraordinary, and it demonstrated that concerned and motivated citizens really can have an impact on the legislative process. It was important to the representatives and senators involved to know that they had constituents like the RESULTS participants who . . . cared about how they acted and voted. The RESULTS work on the Global Primary Health Care Initiative was citizen lobbying at its best."*  
-Representative Tony Hall<sup>42</sup>

## **B. Principles of RESULTS**

What is replicable about RESULTS? Certainly the Action Model described above can be replicated.<sup>43</sup> RESULTS' work is not easy and it requires a degree of commitment that, at times, reaches the level of sacrifice. Along with its Action Model, RESULTS operates under a set of principles, spoken and unspoken, that are aimed at bringing out the best in each individual. These principles are ideals that can prove challenging to follow consistently, but they are crucial to the RESULTS approach. They are: Honor and respect for others (Namaste), Possibility Thinking, Empowering the Individual, Leverage (Trimtabbing), and Support.

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<sup>41</sup> The earmark of Economic Support Funds would have been a transfer of existing funds, not new money. The earmark idea was dropped in favor of new money from outside the foreign aid budget.

<sup>42</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 31.

<sup>43</sup> Indeed, the World Federalists have already adopted many aspects of RESULTS' Action Model. RESULTS staff members have shared the model with other organizations on numerous occasions.

**1. Honor and Respect for Others (*Namaste*)** – This is a fundamental belief that suffuses the entire RESULTS organization, including the staff and the hundreds of volunteers. In the early days, Sam Daley-Harris especially emphasized this principle where there were disagreements and potential conflict. Simply put, this principle means seeing the best in the other person, or using a more eastern interpretation, something like “the spiritual place in me honors the spiritual place in you”.<sup>44</sup> Stories of this principle are legion in the RESULTS community. One cited in Sam’s book tells of partners who were feeling very negative toward a Representative named Pat Swindall. Sam suggested that the group shift their thinking about Representative Swindall. They adapted a prayer written by another RESULTS volunteer who had experienced similar difficulty with his Representative. Their version of the prayer read, in part:

*“Thank you, God, for Pat Swindall. We know he is a good man who wants to do right in the world. We know he struggles with the same problems we do: closing our hearts to those who don’t agree with us . . . Open our hearts and minds to find the next expression of love for Pat that he can receive.”<sup>45</sup>*

Another example comes from the Denver group’s experience. The group founder, Mel Yost, was a retired truck-driver for Safeway, a poet, and a hunger activist. Mel had a long and close working relationship with Representative David Skaggs (D-CO). Mel was a founding member of “Experiment in Democracy and Citizenship”, an advisory group begun by Representative Skaggs (and continued by his successor, Mark Udall). On one occasion, Mel was talking privately with the Congressman and asking him to sponsor some legislation supporting the Child Survival Fund. The Congressman, who was usually very supportive, declined, saying that he got no credit for spending money on such programs and he was frequently

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<sup>44</sup> A search of the internet generated the following lovely characterization of the concept of *namaste*: “I honor the place in you in which the entire Universe dwells. I honor the place in you which is of Love, of Truth, of Light, and of Peace. When you are in that place in you, and I am in that place in me, we are One.”

<sup>45</sup> For the complete prayer, see Sam Daley-Harris, *Reclaiming Our Democracy*, 116.

criticized as being a “tax and spend liberal” because of his support for such programs. Mel engaged the Representative in a conversation about why he had originally gone into Congress. Representative Skaggs admitted that he had really wanted to make a difference and to work for better social programs for the poor in the U.S. and abroad. But he was discouraged. Mel continued to prod gently and to suggest that the Representative had already made a significant difference in Congress and that he just needed to remember what motivated him to go into Congress in the first place. When they parted, the Congressman had tears in his eyes (so did Mel). A few weeks later, Mel heard that the Congressman had sponsored the legislation. Mel was a master of “*namaste*”.<sup>46</sup>

**2. Possibility Thinking** – The story told above about the six-month campaign for the Global Primary Health Care Initiative is an excellent example of this principle. When everybody thought it was impossible to get new money for a social program from a Congress dominated by the Reagan Administration, Sam and RESULTS volunteers refused to give in to cynicism and despair. Instead, they saw the real possibility that, with powerful speaking and passionate persistence, they could convince Congress to do the right thing. In that case, events eventually proved them right.

One of Sam Daley-Harris’ favorite quotes is from William H. Murray’s book, *The Scottish Himalayan Expedition*:

*“Until one is committed, there is hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative (and creation) there is one elementary truth, the ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, then Providence moves too. All sorts of things occur to help one that would never otherwise have occurred. A whole stream of events issues from the decision, raising in one’s favor all manner of unforeseen incidents and meetings and material assistance, which no man could have dreamed would have come his way. I have learned*

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<sup>46</sup> Mel Yost died very suddenly, at the age of 78, in June 2005. He is missed by all who knew him.

*a deep respect for one of Goethe's couplets:*

*"Whatever you can do, or dream you can, begin it.  
Boldness has genius, power, and magic in it." <sup>47</sup>*

**3. Empowering the Individual** – RESULTS' mission statement is: "To create the political will to end hunger and the worst aspects of poverty and to empower individuals to have breakthroughs in exercising their personal and political power".<sup>48</sup> Sam Daley-Harris is fond of saying that people will not come reliably to meetings just to learn things, or to take small actions. But they will come to have their experience of Democracy *transformed*. There is a big emphasis on powerful speaking, studying the issues and becoming knowledgeable (although not necessarily an expert), maintaining positive belief systems, and taking persistent actions that are appropriate to the task. After giving several stories of RESULTS volunteers who had accomplished something extraordinary, Sam says in his book:

*"Each of these RESULTS volunteers knew there were things that could be done to make a difference. They studied, they learned to speak the issues, and they took action—always with the support of a group. Each of them made a difference beyond their wildest dreams, and each of them realized that if you can't speak the issues, you aren't dangerous yet." <sup>49</sup>*

**4. Leverage (Trimtabbing)** - The name RESULTS was originally an acronym standing for "Responsibility for Ending Starvation Using Legislation, Trimtabbing, and Support". The word "Trimtab" is a nautical term popularized by Buckminster Fuller in the 1970s. It comes from the analogy of a big ship. If one wants to turn the direction of a ship, one cannot push on the bow, because it takes too much force. One cannot even push on the

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<sup>47</sup> Quoted from email. Quote from William H. Murray, *The Scottish Himalayan Expedition*, near the beginning of the book. There is some doubt that the couplet actually comes from Goethe.

<sup>48</sup> See RESULTS' website, [www.results.org](http://www.results.org). Select the "About Us" section and scroll down to the middle of the page under the heading: "The Power Is You".

<sup>49</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 16.

rudder, because it still takes too much force. But at the end of the rudder, there is a small rudder, called a trimtab, that may be turned easily. Turning the trimtab changes the direction of the rudder and then the direction of the entire ship.

In RESULTS' case, the trimtab analogy suggests those small actions that a small group can take that require very little force but which have a very big impact on the direction of the ship of state. For example, the Child Survival line in the Foreign Aid budget is a single line that RESULTS helped establish and has supported through lobbying for over 20 years. It began with funding level of \$25 million in 1986. It is now the Child Survival and Health Account<sup>50</sup> and is funded at \$1.56 billion for FY 2006. UNICEF estimates that the worldwide child immunizations funded in large part by this account are currently saving over three million children's lives each year. Clearly, this is a focused action that has yielded big results. In another example, when Barber Conable, in 1986 the incoming President of the World Bank, arrived for the first day at his job, he found letters and petitions from hundreds of sitting legislators around the world urging him to have the Bank do more for ending hunger and poverty. He remarked frequently about how that had made a big impression on him. According to a website biography of his tenure at the Bank, ". . . he made the issues relating to the Bank's central mission - the fight against poverty - the focus of his presidency."<sup>51</sup> Another trimtab is working with government. Marshall Saunders, longtime RESULTS activist and major donor to the microfinance industry, shared in a recent interview:

*". . . I had raised, over the years, donations from Rotary International and others of about \$500,000 for microcredit*

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<sup>50</sup> The Child Survival and Health account currently includes the original Child Survival line plus additional lines for Maternal Health, Infectious Diseases, HIV/AIDS, UNICEF, Family Planning, and Vulnerable Children.

<sup>51</sup> Google, Archives - Barber Conable,  
Bhttp://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/EXTARCHIVES/0,,cont entMDK:20487104~pagePK:36726~piPK:437378~theSitePK:29506,00.html

*organizations. I thought that was pretty good. And then I heard that RESULTS had passed a law in 1987 and raised \$50 million. There was no comparison. So I joined RESULTS.*<sup>52</sup>

**5. Support (Formal and Informal)** – RESULTS' system is designed to provide lots of support for volunteers. The RESULTS national office provides lots of *formal* support through monthly conference calls, media calls, the annual international conference in Washington, D.C., a newsletter, a regularly updated introductory "Basics Disc" for new members, and a weekly call for Group Leaders. However, more important is the *informal* support provided by every local group. Each group is expected to assist newcomers with their nervousness, their feelings of lack of preparation, their timidity, and their cynicism. As a new volunteer gains confidence, that person needs less support of this kind. But anyone who has been in a longtime group for any length of time can tell you that lots of other kinds of support are needed. In Colorado, where there are groups that have been together for over 20 years, there have been births, deaths, adoptions, bankruptcies, a brain tumor, cancers, strokes, marriages, divorces, depressions, and various forms of leaving. One group spun off to form their own non-profit with a more domestic focus. One person dropped out for awhile to run for the State Legislature. Some volunteers moved away and dropped out of RESULTS. All of these occurrences have strained the groups in Colorado, and some did not survive. However, the level of support and love in the RESULTS community has allowed most of the groups to continue and their relationships to deepen over time. This pattern is not unique to Colorado. The ebb and flow of life, the pain and sorrow, the triumph and tragedy affects all groups and tests the bond of the volunteer's commitment to ending hunger and poverty. Fortunately, the power and passion of the RESULTS mission and the force of will of many longtime RESULTS volunteers

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<sup>52</sup> Marshall Saunders, taped interview by the author, 18 April 2006.

has continued to attract ordinary people who are willing to do extraordinary things.<sup>53</sup>

### **C. Alex Counts - RESULTS Volunteer to Microfinance Leader**

The career of Alex Counts, currently President of Grameen Foundation USA, has involved every stage of development of the microfinance movement since 1986. A brief overview of Alex's career will shed light on the interconnectedness of RESULTS and many parts of the field and the movement.

In 1986, Alex Counts was a student at Cornell University. He heard about RESULTS and became a volunteer student group leader. That year, he saw the International Fund for Agricultural Development (IFAD) video on the Grameen Bank (see Section IV below) and was immediately drawn to microcredit as a solution to poverty. In the Spring of 1987, at the age of 20, he served as one of the first interns in RESULTS' Washington office. At that time, Alex provided research support for Michael Rigby, RESULTS' first Legislative Director, as he and Sam wrote the initial drafts of the Self-Sufficiency for the Poor Act of 1987 (described later in this paper).

Alex returned to Cornell in the Fall of 1987 to finish his senior year, graduating in 1988. With RESULTS' help, he was accepted as the first Fulbright scholar at the Grameen Bank. He went to Bangladesh in December 1988 and was there for ten months. His letters back to RESULTS were copied and mailed to RESULTS groups all over the world, where they were read aloud, with great interest, by the volunteers. During this period, friends forwarded some of Alex's letters to CBS television, and the producers of CBS' *Sixty Minutes* show became interested in taping a segment for their show.

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<sup>53</sup> It is estimated that there are currently about 300 core RESULTS volunteers, and another 700 persons who take an occasional action. There are about 3000 current donors. Of the 300 core volunteers, approximately 100 have been members of RESULTS for more than 10 years, and many of those for more than 15 years.

Alex helped to organize the taping of the show, which aired in 1990 and became the first major national media coverage of a microenterprise organization.

Alex returned to Washington, D.C. in late 1989 and accepted an offer from Sam Daley-Harris to serve as RESULTS' second Legislative Director.<sup>54</sup> He was 22 years old at the time. He served for three years as Legislative Director, during the tumultuous years of the Candlelight Vigils and the World Summit for Children in 1990, and the Keeping the Promise Campaigns in 1991 and 1992.<sup>55</sup>

Alex's heart, however, was in Bangladesh, and in late 1992, he took a job with Grameen Bank as a senior fellow in the International Training Division. Alex spent three years with Grameen and then two years as a Field Officer for CARE Bangladesh, overseeing their development programs in two regions of the country. During this period, Alex deepened his knowledge of Grameen and Bangladesh. He learned Bangla (Bengali), the language of Bangladesh. He also wrote a book about Grameen and the Women's Self-Employment Project in Chicago.<sup>56</sup>

In 1997, Alex returned to Washington, D.C. to help organize the Microcredit Summit which was held in February of that year. After the Summit, he accepted Professor Yunus' invitation to start the Grameen Foundation USA to oversee the fundraising and support for the hundreds of Grameen replication projects around the world. In mid-1997, Alex moved back to Washington, D.C. to become the Executive Director, later President, of the Grameen

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<sup>54</sup> Alex's mentor, Michael Rigby, had resigned for personal reasons.

<sup>55</sup> RESULTS organized over 1,500 Candlelight Vigils on 23 September 1990 that attracted over 1 million people and resulted in the World Summit For Children being the largest gathering of Heads of State in history up to that time. The Keeping the Promise campaigns were media and legislative blitzes in 1991 and 1992 to ensure that Congress enacted funding measures to "keep the promises" to the world's children made at the World Summit.

<sup>56</sup> Alex Counts, *Give Us Credit*. The book was published in 1996. Alex also got married during this period and brought his wife, Emily, (whom he met through RESULTS) back to Bangladesh for the last two years of his stay there.

Foundation USA. He continues in that role at the present time. At 39, he is one of the “grand old men” of the second generation of Microfinance Leaders.<sup>57</sup> He is one of RESULTS’ biggest fans and one of its strongest partners in the ongoing efforts to build the microfinance field into a leading poverty elimination movement.

#### **D. RESULTS’ International Chapters and Microfinance**

RESULTS currently has branches in six countries outside the United States. The countries the largest numbers are the U.K. and Canada, with about 100 core activists and about 200 additional volunteers between them. In addition, there are small RESULTS outposts in Australia, Japan, Germany, and Mexico.

In 1985, Sam Daley-Harris and the RESULTS Board decided to expand RESULTS into other countries in order to extend the impact of the organization on funding and policies relating to a number of child survival and international development issues. In 1985, Canada became the first country to start groups, followed in 1986 by the U.K., Germany, and Australia. Japan was next, in 1989, and Mexico was last, in 1993. All of the branches, except Australia and Mexico, were started by Sam Daley-Harris. The Australian branch was started in 1986 by Karen Cloud, a former RESULTS volunteer from Seattle, Washington, and her Australian husband, Jim James. RESULTADOS Mexico was started in 1993 by Leticia Sanchez-Vega and her French-Canadian husband, Jean François Tardif, from the Hull, Québec RESULTS group.<sup>58</sup> In most cases, the initial contact in a new country came from The Hunger Project, although in Germany, the initial contact was

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<sup>57</sup> Grameen Foundation USA is currently providing funding and oversight for 50 microfinance institutions in 22 countries. In the eight years since its founding, Grameen Foundation USA has gone from its original \$6,000 budget, with 2 employees, to its current budget of \$11 million, with 45 employees.

<sup>58</sup> There were also short-lived groups in Russia and Lesotho, both started by Canadian partners.

with World Runners (a related group) and in Mexico, it was a connection through Landmark Education that provided the *entree*<sup>59</sup>

The first group outside the United States was RESULTS/RESULTATS Canada. The organization was started in 1985 when Sam Daley-Harris met with John Hotson, a U.S. economics professor who had moved to Canada during the Vietnam War protest days. When Sam came to Toronto for a group-starting meeting, John hosted the meeting and became the first Group Leader and National Manager. With some ups and downs, the Canadian groups have slowly grown and today there are 10 groups with about 30 active partners and another 100 occasional participants. Cathy Little came on staff as part-time National Manager of RESULTS/RESULTATS Canada in February 1996. Today, there are three full-time staff and four part-time staff.

The Canadian RESULTS groups have a long and distinguished history of outstanding work with the media. Canadian groups generate over 400 pieces in the print media and many television and radio spots every year. Canadian RESULTS activists have generated sign-on letters from the Canadian Parliament to the World Bank on numerous occasions. Many of the leaders of the Canadian RESULTS organizations have visited microenterprise institutions "on the ground" in Bangladesh, Nicaragua, Kenya, Zimbabwe, Mexico, and elsewhere.

Canadian RESULTS groups have devoted considerable time to lobbying the World Bank and other International Financial Institutions. The Canadian International Development Agency (CIDA) provides \$35 million (Canadian dollars) in grants to Microfinance Institutions as a result of RESULTS' lobbying. Work is ongoing with private investment firms to develop

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<sup>59</sup> Landmark is a human potential training organization that provides seminars on human empowerment throughout the world. Its original corporate entity was *est*, an earlier seminar company founded by Werner Erhard. Both the Hunger Project and World Runners were anti-hunger groups that were founded by *est* staff and volunteers in the late 1970s.

investment products for microfinance institutions. RESULTS/RESULTATS Canada has worked closely with Opportunity International on a variety of events, projects, and funding mechanisms. In short, RESULTS Canada has been very active in the microfinance scene for many years.<sup>60</sup> This role is continuing with the hosting of the Microcredit Summit in November 2006 in Halifax, Nova Scotia.

Sam Daley-Harris traveled to the U.K. in July 1986 to start RESULTS U.K. He caused an "explosion" of eight groups which started up during Sam's first two visits in the last half of 1986.<sup>61</sup> Sheila Davie became the first paid staff person the next year and continues as National Director to this day. There are currently 13 groups with nearly 70 active partners and another 100 occasional supporters. There are currently four full-time and four part-time staff.<sup>62</sup>

Legislative efforts in the U.K. have focused on microenterprise and global health. Over the years, groups have worked to get millions of pounds in appropriations for microenterprise. RESULTS volunteers were instrumental in the founding of an "All Party Group on Microfinance", which was formed in 2002 and has continued meeting regularly ever since. RESULTS has organized and hosted several events for Muhammad Yunus, of the Grameen Bank, to come and speak to high level university and government audiences. Earlier this year, another event was organized when Sam Daley-Harris, Director of the Microcredit Summit Campaign, came to visit. Many leaders in the RESULTS organization have been to Bangladesh and other countries to visit microfinance institutions. There has been considerable focus on lobbying the World Bank over the years. Thousands of pieces of media have been generated in support of microcredit.

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<sup>60</sup> Information provided in emails from Cathy Little, Managing Director, RESULTS/RESULTATS Canada, 7 and 15 May 2006.

<sup>61</sup> Sam Daley-Harris, *Reclaiming Democracy*, p. 83.

<sup>62</sup> These statistics and all other group statistics are taken from the *National Directors Report*, a handout provided to attendees at the 26th RESULTS international conference, 8-11 July 2006.

As stated earlier, RESULTS Australia was started in 1986 by Karen Cloud, a RESULTS partner from Seattle who moved to Australia and married Jim James. The two of them proceeded to start several RESULTS groups. There are currently three groups with about 10 active partners and another 30 occasional participants. There is a small national office with three paid part-time staff and two voluntary staff. Ms. Maree Nutt is the current National Manager.

Even with such a small presence in Australia, RESULTS has generated hundreds of pieces of media about microfinance over the years (63 in 2005). RESULTS has worked to steadily increase Australian government funding for microcredit from \$6.4 million in the late 1990s to \$13 million now. Recently, RESULTS got over 100 Parliamentarians' signatures on a 2003 letter to the President of the World Bank and 54 on a 2005 microfinance letter to heads of International Financial Institutions. On numerous occasions, RESULTS Australia has hosted Muhammad Yunus and other microfinance leaders in high-level meetings, forums, and conferences at universities and governmental offices. In fact, one of the RESULTS volunteers in Australia has become the official South Asia representative of the Grameen Bank. The 2005 U.N. Year of Microcredit brought new energy and participants to RESULTS Australia.

RESULTATE Germany was one of the other branches started by Sam Daley-Harris in 1986. Sam's initial host was Rudy Vietz of World Runners, an anti-hunger group affiliated with *est* and the Hunger Project. Martin Welker and Nancy Wimmer, both Hunger Project volunteers, agreed to co-lead the expansion of RESULTATE Germany. In 1988, Nancy took over as National Director and remained in that role through the late 1990s. Nancy was an American married to a German and a longtime resident in Germany. By the 1990s, there were 8-10 groups. In 1995, RESULTATE Germany got 381 Members of Parliament (56%) to sign on to a letter to the President of the

World Bank. There were many successes with the media and with funding for microfinance, child survival, and other programs supported by RESULTS. Unfortunately, political issues in the late 1990s brought unprecedented political pressure on the fragile RESULTATE Germany organization, which was forced to disband. A small group of partners survived the turmoil and they are now beginning to rebuild. There are now two groups in Germany, one in Darmstadt and the other in Berlin. At the present time, there are 10 partners, with another 25 occasional participants. Even so, RESULTATE Germany is working on an initiative to replicate the 2002/2003 U.S. legislation (H.R. 192, the "Amendments Bill-2003") which requires microfinance organizations to use poverty measurement tools (see the discussion of this legislation in Section V above). RESULTATE Germany is also pushing a Global Marshall Plan initiative and several initiatives having to do with solar panels and Grameen Energy in Bangladesh. As shown by this example, the resilience of RESULTS volunteers throughout the world is remarkable, even in the face of adversity.

Sam Daley-Harris started RESULTS Japan in 1989. The initial contact was Toshihisa ("Toshi") Nagase, the first Hunger Project briefing leader in Japan. Toshi soon became the RESULTS Japan National Manager. Bruce Walker, an American married to a Japanese woman, soon became a major player as well. Eventually, Naohiko Akamoto took over as Tokyo Group Leader and acting National Manager, but he has recently been transferred by his company to Kyushu, an island in the south of Japan where hundreds of high-tech companies have set up offices and manufacturing facilities. The current RESULTS Japan organization is tiny with only 2 or 3 active volunteers and a three-person staff paid by RESULTS Educational Fund to work on worldwide TB issues.

One of RESULTS Japan's greatest successes was with the media. For example, in 1989, Toshi managed to get an editorial in the *Yomiuri Shimbun*, the world's largest circulation newspaper, with a daily circulation of 14 million

(about 12 times larger than the New York Times). Subsequently, the Japanese partners got many letters to the editor and op ed pieces published in *Yomiuri Shimbun* and other major Japanese newspapers. In a recent email, Bruce Walker explains that RESULTS Japan basically introduced microcredit to Japan.<sup>63</sup> RESULTS Japan hosted several meetings between Muhammad Yunus, of the Grameen Bank, and members of the Japanese *Diet* (Parliament) and a variety of corporate and media leaders. At one point, RESULTS Japan arranged to have Professor Yunus' picture on the cover of *AERA*, Japan's leading newsweekly magazine. Eventually, all of this led to Japan's first support for microlending, which came in 1997 in the form of a \$25 million grant to the Grameen Bank for its housing loan program. Additional funding continues to this day.

RESULTADOS Mexico was started after a moratorium was placed on starting new country branches in 1989. Sam Daley-Harris explains:

*"Over a four-year period [from 1986 through 1989] I traveled out of the U.S. every four months. These 12 overseas trips helped start RESULTS in five other countries, but they were also the cause of a new strain in the organization--the strain that comes when expanding too fast. The constant pressure for Action Sheets, conference call guests, editorial writer packets, issues research, and conference planning in six countries meant we weren't serving anyone as well as we had."<sup>64</sup>*

However, Jean François Tardif and his new wife, Leticia Sanchez-Vega, from the Hull, Québec group in Canada were passionate and determined to start a branch in Mexico. They convinced Sam and the RESULTS Board of Directors that they would provide all the necessary support, both financial and advisory, from Canada, thus relieving the U.S. headquarters of the responsibility. So in 1993, RESULTADOS Mexico was officially welcomed into the RESULTS family at the June International Conference in Washington, D.C.

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<sup>63</sup> Bruce Walker, email message in response to questions by the author, 28 June 2006.

<sup>64</sup> Sam Daley-Harris, *Reclaiming Democracy*, 105.

Currently, the organization has three groups and 15 active partners, with another 15 occasional participants. There are four volunteer staff members.

One of RESULTADOS Mexico's greatest successes was in getting 164 members (one third) of the Mexican Congress to sign onto the international microfinance letter that was sent to President Wolfensohn of the World Bank in 2005. The groups have also been successful at organizing meetings and forums on microcredit. In 2005, RESULTS Mexico also organized a well-attended conference on poverty issues. So this small organization has been making a big splash in a very short time.

Suffice it to say that the international RESULTS groups in Canada, the U.K., Germany, Australia, Japan, and Mexico have had results far beyond what their numbers would suggest. They have played an important part in building the international microfinance movement and they will continue to do so in the future. Their role stands to become even more important in the years ahead as RESULTS moves to influence the World Bank and International Finance Institutions to focus more on ending poverty.

#### **IV. BUILDING THE MICROFINANCE MOVEMENT: WINNING ALLIES**

*"RESULTS is one of the two or three most effective lobbying groups in Washington, in the sense that you do your homework, you know what you're about, you know what's realistic, and you're polite and attentive. In many ways, you're a throwback - at one of your banquets, as you were engaged in folk singing, I thought, 'this is the way it used to be . . . this is what I want to see, commitment, intensity, and persistence'. I really do value what you do."* -Representative Rush Holt<sup>65</sup>

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<sup>65</sup> Rush Holt, U.S. Representative (D-NJ), RESULTS global national call, taped conference call by the author, 13 May 2006.

## **A. An Early Ally - IFAD**

In October 1984, Sam Daley-Harris gathered up all his “commitment, intensity, and persistence” and became the first full-time staff person for RESULTS (he was called Executive Director at that time). In December of that year, right after the big win with the Global Primary Health Care Initiative, he moved to Washington, D.C., where he rented an apartment on Capitol Hill near the Congressional offices.

The International Fund for Agricultural Development (IFAD) became the ally that first introduced RESULTS to microcredit. IFAD is one of several Rome-based food and agricultural agencies organized in the 1970s. IFAD’s mission is to assist the rural poor in low income countries to increase food production, improve nutrition, and alleviate poverty. After meeting Idriss Jazairy, the new head of IFAD, at a breakfast, Sam Daley-Harris decided that this agency was a “trimtab” worthy of major attention from RESULTS. IFAD qualified as a trimtab because it was small, funded by a single line in the U.S. foreign aid budget, and yet its programs benefited millions of the poorest people in the world. Thus began RESULTS’ first big campaign in Washington. Over the next six months, RESULTS mounted an editorial campaign that generated 42 editorials all over the country. What the editorials called for was replenishment of IFAD’s three year funding, with a slight change in the ratio between the Industrialized Countries (up 2% to 60%) and OPEC (down 2% to 40%) which would cost the U.S. about \$10.5 million for the entire period, or \$3.5 million per year. In the foreign aid budget of \$15 billion per year at the time, this was a tiny amount of money. The Reagan Administration never gave a clear rationale for denying the funding.

Sam Daley-Harris’ book gives the full story of the volunteer activists who got their editorial writers to call for the replenishment of IFAD funds with the new

formula.<sup>66</sup> In Sam's words, the campaign had a happy ending: "In July [1985], after five months of deluging the Administration with [42] editorials, I got a call from a State Department official, who said, 'You can stop the editorials now. 60/40 is OK. You can stop the editorials now.'"<sup>67</sup>

So RESULTS saved IFAD's budget, but IFAD returned the favor by introducing the Grameen Bank to RESULTS. IFAD was one of the early funders of the Grameen Bank. In 1985, the agency produced a promotional video on the Grameen Bank and that video was provided to RESULTS.<sup>68</sup> The video was fairly amateurish and showed some scenes of women making cigarettes as their microcredit business, which some viewers didn't like. However, it was generally very positive about the model of the Grameen Bank and the personal integrity and articulate gift of expression of Muhammad Yunus, the founder of the Bank. Suddenly, RESULTS staff and volunteers could see the possibility that microcredit could be a major strategy to end severe poverty.

Sam Daley-Harris' genius was in his ability to identify potential actions as trimtabs where RESULTS, with its limited size and resources, could have a big effect. Sam had been looking for some way to address poverty as an "earlier cause" of hunger. When he learned about the Grameen Bank and microcredit through IFAD, he saw that microenterprise, out of all the many development approaches available, offered a real opportunity to make a big impact on poverty and hunger. Sam jumped at the chance to get involved.<sup>69</sup> In the next few months, he connected with the two key allies that allowed him to fully move forward with that involvement.

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<sup>66</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, Chapter 6, "Moving to Washington and New Issues: The International Fund for Agricultural Development, 39-49.

<sup>67</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 48.

<sup>68</sup> This is the video that got Alex Counts interested in the Grameen Bank.

<sup>69</sup> RESULTS' first Legislative Director, Michael Rigby, was a strong advocate for Sam and RESULTS to get involved in microcredit in a big way at this stage.

## **B. The Anti-Poverty Coalition - RESULTS, Grameen, FINCA**

The two key allies that allowed RESULTS to begin impacting the microenterprise field in a big way were Dr. John Hatch of FINCA and Professor Muhammad Yunus of the Grameen Bank.

In 1985, the same year as the big IFAD campaign, Sam met Dr. John Hatch, the founder of FINCA, at a conference on world hunger held at the Denver University Law School.<sup>70</sup> The following year, in 1986, Sam had the opportunity to meet Professor Muhammad Yunus when he flew to Washington to testify before a joint session of the House Banking Subcommittee on International Development Institutions and Finance and the House Select Committee on Hunger.

When Sam encountered John Hatch and Muhammad Yunus, it was like a match made in heaven. Professor Yunus and Dr. Hatch were both American-trained economists. Both had great credibility in the field as founders of organizations that had invented the two most widely replicated model of microcredit. Sam had founded a respected citizen-advocacy organization, which brought to the table its passionate activist network, its growing media savvy, and its ability to find champions in legislatures in the United States and around the world. The three leaders were all dynamic public speakers and visionaries who agreed passionately on the critical need to serve the very poor and to focus the microfinance field on building a worldwide movement capable of ending severe poverty. Together, the three leaders of RESULTS, Grameen, and FINCA created an informal Anti-Poverty Coalition that has built the microfinance movement into the leading poverty-alleviation movement in the world today.

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<sup>70</sup> The DU Law students invited John Hatch to participate, and the fledgling RESULTS group in Denver invited Sam Daley-Harris to attend. The Conference on Hunger was held on Saturday, 11 May 1985.

The close working relationship between Grameen, FINCA, and RESULTS has lasted for over 20 years.<sup>71</sup> Together, the three organizations, through their leaders, have collaborated as an Anti-Poverty Coalition that has had a major impact on the development of the Microfinance Movement. All three institutions worked on the passage of RESULTS' first big bill, the Self-Sufficiency for the Poor Act of 1987. They have cooperated on numerous pieces of legislation in subsequent years. Muhammad Yunus, John Hatch, and Sam Daley-Harris have all been articulate spokespersons for the microfinance movement in the media, at academic forums, and at conferences over the years, frequently speaking at the same events. They cooperated in creating, managing, and following through on the Microcredit Summit of 1997. All three are architects of RESULTS' major legislative successes in succeeding years: the Microenterprise for Self-Reliance Act of 2000, the Amendments to the Microenterprise for Self-Reliance Act in 2003, and the Microenterprise Results and Accountability Act of 2004. Indeed, as Chris Dunford said in the opening quote of this paper, the microfinance movement would never have developed as it did without their cooperation and leadership.<sup>72</sup>

**C. Legislative Champions** - To be effective at passing legislation in Congress or in Parliaments around the world, it is essential to cultivate legislative champions who will dedicate the time and political capital to guide the legislation through a lengthy process where roadblocks and changes can be encountered at every stage. The RESULTS staff and the network of grassroots activists have worked together over the years to identify and cultivate such champions. Sometimes, the staff took the lead and grassroots

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<sup>71</sup> In fact, both John Hatch and Muhammad Yunus joined the RESULTS Board of Directors in 1988. John dropped off the Board in 1990, when he and his wife moved to El Salvador to start over 1,000 village banks funded by the first large USAID microcredit grant of \$9 million. Muhammad Yunus has continued to serve on the Board for 18 years.

<sup>72</sup> In recent years, Alex Counts (President of Grameen Foundation USA), and Chris Dunford (President of Freedom from Hunger) have been very active in lobbying and movement building activities that are clearly focused on serving the very poor. They should both now be considered members of this informal Anti-Poverty Coalition.

activists helped from the candidate's district. At other times, grassroots activists took the lead and the staff in Washington helped with information and staff-to-staff contacts. This is a sensitive process, beginning with learning about the candidate, making an initial approach, speaking passionately and providing well-researched facts and arguments to convince the person that the cause fits his or her priorities, and following up with patience and persistence, sometimes for weeks, sometimes for months, sometimes for years. Representative Ben Gilman (R-NY) was one of RESULTS' longest-serving microenterprise champions in Congress, beginning with the first collaboration in 1986 and 1987 around the passage of the Self-Sufficiency for the Poor Act of 1987, and ending when the Congressman retired in January 2003. The relationship involved frequent contacts directly with the Congressman, as well as decades-long associations between RESULTS staff and volunteers and several of Representative Gilman's personal and committee staffers. When Representative Gilman retired, RESULTS lost a true friend. Fortunately, other champions are constantly being identified and cultivated. In fact, more than 10 champions have played a role in passing RESULTS' microfinance legislation and funding measures over the years.<sup>73</sup>

**D. The Microenterprise Coalition** -The Microenterprise Coalition is a microfinance industry advocacy organization that was started in 1992 by leading U.S.-based microfinance companies. For the past two years, it has been co-chaired by Susy Cheston of Opportunity International and Lawrence

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<sup>73</sup> To name those cited in the legislative section of this paper: in 1987, Rep. Ed Feighan (D-OH), Rep. Ben Gilman (R-NY), and Senator Dennis DeConcini (D-AZ); in 2000, Rep. Gilman (R-NY) and Rep. Sam Gejdensen (D-CT); in 2002 and 2003, Rep. Tim Roemer (D-IN), Rep. Chris Smith (R-NJ), Rep. Donald Payne (D-NJ), Senator Paul Sarbanes (D-MD), and Senator Mike DeWine (R-OH); and in 2004, Rep. Chris Smith (R-NJ), and Rep. Donald Payne (D-NJ) (plus the same Senate co-sponsors). In the Fall of 2005, Senators Robert Bennett (R-UT) and Richard Durbin (D-IL) and Rep. Chris Smith (R-NJ) and Rep. Rush Holt (D-NJ) sent letters to new World Bank President Paul Wolfowitz urging a new focus on microfinance. In 2006, Rep. Rush Holt (D-NJ) is working to set up a Congressional meeting with President Wolfowitz.

Yanovitch of FINCA, but as of June 2006, Lawrence Yanovitch has left to join the Gates Foundation, so Susy is currently the only Chair of the Coalition.<sup>74</sup>

Microenterprise Coalition Members in 2006 include ACCION, CARE, Catholic Relief Services, Cooperative Housing Foundation, FINCA, Grameen Foundation USA, Opportunity International, ProMujer, RESULTS, Save the Children, World Council of Credit Unions, World Relief, and World Vision. About 10 more former members are inactive. Membership is voluntary and any expenses are shared among the members.

Relations between the Microenterprise Coalition and RESULTS have changed over the years. Originally, the purpose of the Coalition was to provide an industry perspective to Congress to balance the view provided by RESULTS. It was felt that RESULTS was out of touch with the realities in the field. Relations were cordial but somewhat distant. Relations took a nosedive in 2002, when RESULTS first introduced the Amendments Bill (it didn't pass until 2003). The Microenterprise Coalition had serious reservations about the requirement to utilize poverty measurement tools, since there were no standardized field-tested tools available at that time, so they initially opposed the legislation. Fortunately, Susy Cheston (with substantial assistance from Lawrence Yanovitch of FINCA) was able to work with RESULTS and industry leaders to craft a "Grand Compromise" that allowed the legislation to move forward and eventually to pass (see Section V below for details). According to several observers, the Microenterprise Coalition membership is now solidly behind the concept of measuring poverty levels and serving the poor, which

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<sup>74</sup> Susy Cheston has a background in public broadcasting. In the early 1990s, she spent several years in Central America, first with ACCION and then with Opportunity International. She helped to develop Opportunity International's "Trust Bank" system (similar to the Village Bank model). In 1993, she joined the Opportunity International headquarters staff in Illinois and spent the next 7 years rolling out the model throughout the world (there are currently about 700,000 Trust Bank clients in the Opportunity International system). In 1999, she moved to Washington, D.C. and in 2002 she immersed herself in the efforts to pass what eventually became the "Amendments Bill-2003" legislation which requires the development and use of poverty measurement tools. She continues to be a microfinance industry insider who is also a key ally of RESULTS on "down-reach" to the very poor.

is a credit to the persistence of RESULTS staff and volunteers and also to the ethics of the Coalition and its leaders (particularly as many of them received substantial funding from US AID, which opposed key aspects of the legislation).

Shortly after the “Grand Compromise”, Susy Cheston facilitated a revision of the Policies and Protocols of the Coalition to reflect a renewed commitment to serving the poor. The new Vision statement reads: “A world in which poor people have the tools to take charge of their economic destinies.” And the new Mission statement reads: “To advocate for massive access to financial and business services to enable people around the world to escape poverty.”<sup>75</sup>

## **V. BUILDING THE MICROFINANCE MOVEMENT: EFFECTIVE MEDIA AND LEGISLATION**

*“Each of the great social achievements of recent decades has come about not because of government proclamations but because people organized, made demands and made it good politics for governments to respond. It is the political will of the people that makes and sustains the political will of governments.” -James Grant, Former Exec. Director, UNICEF<sup>76</sup>*

**A. Media as a Support for Legislation and Movement Building** - The effective use of the media has been a key RESULTS strategy for building the microfinance movement. RESULTS has used both the print media and the electronic media to support legislative campaigns, to support small and large events, and to build public awareness of microfinance as a way to bring millions of people out of poverty.

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<sup>75</sup> Note that none of this language talks about serving the “very poor” (those living on less than \$1 per day). So the poverty level of those to be served is still an open question.

<sup>76</sup> James Grant, from a speech quoted in a RESULTS brochure, c. 1992.

Sometimes a single well-placed editorial, opinion editorial (op ed), or television or radio spot has made a significant difference on an issue. But it has been the coordinated national media campaigns that have been the most effective way to impact an issue. In fact, one of the keys to RESULTS' consistent success with legislation has been its ability to motivate and focus grassroots support for media campaigns.

RESULTS' media campaigns have become legendary. Over the last 24 years, since RESULTS' first editorial appeared in the Los Angeles Times in 1982, RESULTS volunteers and staff have generated tens of thousands of letters to the editor, thousands of editorials and op ed pieces in newspapers, hundreds of radio interviews and television spots, and many hundreds of press conferences and media events in coordinated campaigns to support RESULTS' legislation events. Commenting on this ability of RESULTS to generate media, especially editorials, Paul Berkowitz, longtime aide for Representative Ben Gilman (R-NY), said recently:

*"[In the early days,] RESULTS was the most effective anti-hunger group out there - combined with Bread for the World - you had RESULTS working the editorial boards and you had Bread for the World getting calls in from churches. It was a great combination . . ."*  
-Paul Berkowitz<sup>77</sup>

To work effectively with the media, it is critical to develop longterm relationships with members of the media. RESULTS volunteers and staff have cultivated hundreds of longterm relationships with editorial writers, television commentators, and reporters. This is longterm work involving frequent contacts with information, phone calls, emails, visits to the office, breakfasts and lunches over many years. Building a relationship based on the trustworthiness of the information provided is essential. Many requests may be required to get an editorial or an article or a press conference. Thank you notes and calls must not be forgotten.

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<sup>77</sup> Paul Berkowitz, taped interview by the author, 14 June 2006.

RESULTS' staff works hard to maximize the impact of each media piece. With print media, RESULTS uses the editorials, op ed pieces, and articles again and again, sending copies to key Congressional offices and to appropriate agencies to show that constituents and the local press around the country care about the issues being discussed. With electronic media, pieces are frequently copied and shown to Members of Congress or their staffers. Video segments are also frequently used in Education and Action meetings, forums, fundraisers, and other events.

Interestingly, while RESULTS' fundamental successes with the media have been with the print media, some of RESULTS' greatest media successes have come with electronic media. One example in the microenterprise area came in 1989, when contacts generated by RESULTS staff and Alex Counts (then in Bangladesh) resulted in a request by the *Sixty Minutes* show to tape a segment on the Grameen Bank. Given the green light, the show sent Morley Safer and two camera crews from Rome and London to Bangladesh in June 1989. One hundred hours of footage were shot and boiled down to a 12-minute segment entitled *Banking on the Poor*. The segment was first aired in March 1990 and was repeated many more times on television. In videotape form, it has been shown thousands of times at conferences, forums, and meetings throughout the world and has been one of the major media supports for building the microfinance movement. In his book, Professor Yunus described the impact of the show:

*"...the segment became an instant hit. I had never fully realized the power of the media until then. Even today [1999], we receive letters and phone calls from around the world when the show is rebroadcast. In just twelve minutes, CBS had brought out the essence of Grameen in a most inspiring way. The film moved people to action and activism more than any other media coverage before or since."<sup>78</sup>*

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<sup>78</sup> Muhammad Yunus, *Banker to the Poor*, 149. Indeed, RESULTS copied the tape and sent it to Members of Congress, the Administration, the media, and all RESULTS groups. The segment was called *Banking on the Poor*. The videotaped version has been shown many thousands of times. This author still uses it in lectures and

## **B. A Few Key Legislative Actions**

Over the last 20 years, working with allies in the Anti-Poverty Coalition and legislative champions, RESULTS has excelled at selecting a small number of key legislative actions to pursue. Specifically, four pieces of legislation, in 1987, 1999-2000, 2002-3, and 2004,<sup>79</sup> have changed the field by making microenterprise a core part of U.S. foreign policy, codifying the standards for the field, and finally, requiring that cost-effective poverty measurement tools be developed and implemented throughout the field. All four of these pieces of legislation were successfully passed (although the bills in 2000 and 2002 took two years to pass). In addition, for every year since 1986, RESULTS has, almost always successfully, introduced language for the appropriations bills to maintain or increase funding for microenterprise. Almost always, RESULTS got language into the reports attached to the appropriations bills that required a significant percentage (usually 50%) of the funds to be spent on loans to the very poor, mostly women, in specific small amounts (usually \$300-\$400). Fortunately, beginning in 2002, RESULTS has been able to shift the focus away from loan size as a proxy for the poverty level of clients in favor of much more accurate poverty measurement methods. Additionally, on several occasions, RESULTS has produced independent reports that have caused Congress to order GAO studies to hold USAID accountable for fully implementing the letter and the spirit of legislative mandates.

## **C. Self-Sufficiency for the Poor Act of 1987**

Along with the Anti-Poverty Coalition members, Muhammad Yunus, John Hatch, and Sam Daley-Harris, one other individual played a key role at this point: Michael Rigby, RESULTS' recently-hired first Legislative Director. In

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presentations. See also, Alex Counts, *Give Us Credit: How Muhammad Yunus's Micro-Lending Revolution is Empowering Women from Bangladesh to Chicago* (New York: Times Books, Random House, 1996), xi-xii.

<sup>79</sup> Thomas references to the 1999-2000, 2002-2003, and 2004 legislation may be found at the end of the Bibliography at the end of this paper. The 1997 legislation preceded Thomas, so it is not cited.

Sam's words, Michael was "a dazzlingly brilliant guy who had never finished High School".<sup>80</sup> Michael convinced Sam to focus only on microenterprise in RESULTS first major piece of legislation. Together, Sam and Michael led the process for creating and shepherding what became known as the Self-Sufficiency for the Poor Act of 1987 through Congress.

In late 1986, Michael Rigby drafted the initial language that served as the basis for RESULTS' first bill. After several drafts, the concept was fairly simple. The version of the bill that was eventually introduced mandated that 10% of the U.S.'s \$4 billion in economic assistance be converted to loans, and that those loans be repaid by the recipient governments in local currency into local funds or accounts that would support microfinance programs that targeted people whose incomes were less than \$250 per year, with a special emphasis on women.

Sam put out a call for a Congressional sponsor on the House Foreign Affairs Committee. Ron Fischman, an analyst for an investment firm in Cleveland, Ohio, answered the call. Without any prior lobbying experience or relationship with Representative Ed Feighan (D-OH), his Member of Congress, Ron committed to having him be the lead sponsor of the pending bill. Sam tells the story in great detail about how Ron braved a massive snowstorm to meet Representative Feighan at his election victory celebration where he asked him to sponsor the bill. Two months later, on 10 January 1987, the Congressman said "yes".

From that point on, Sam and Michael had another person to work with on the bill – George Stephanopolous, Congressman Feighan's Legislative Director and Chief of Staff.<sup>81</sup> George provided essential support inside Congress while

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<sup>80</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 109. Born in the U.K., Michael Rigby was not an American citizen, but he led the first major piece of RESULTS legislation through the American Congress like a professional. In addition, Alex Counts was an intern from Cornell during the Spring of 1987.

<sup>81</sup> George Stephanopoulos later became Press Secretary under President Clinton.

Sam and Michael guided the lobbying efforts of the RESULTS volunteers around the country. Gradually, the bill built up an impressive list of 59 co-sponsors in the house. Now it was time to introduce the bill in the Senate. Thanks to the tireless efforts and impassioned speaking of RESULTS volunteer, Karen McQuillan, a waitress from Tucson, Arizona, Senator Dennis DeConcini agreed to sponsor the Senate version of the bill.

Professor Yunus flew into Washington and participated in a RESULTS conference call with editorial writers some weeks after the bill had been introduced, during which time it had come under attack from USAID. Michael Rigby and Rupert Schofield from FINCA testified before various Congressional committees during the process. RESULTS organized several briefings for members of Congress and staffers. At one of them, John Hatch made a now famous statement that the bill was “potentially the most important foreign policy initiative since the Marshall Plan”.<sup>82</sup> In his book, *Reclaiming Our Democracy*, Sam Daley-Harris gives details of some of the actions that took place during the campaign: the many letters to the editor, the editorials, the national conference calls, the testimonies before Congress, and the thousands of phone calls to Congress. Late in the year, both the House and the Senate versions of the bill had garnered significant support.<sup>83</sup> There were various moves to water down the legislation that had to be fought off. But then, toward the end of 1987, it became clear that Congress was not going to pass a Foreign Aid bill that year. This meant that the House and Senate microenterprise bills could not be attached to the Foreign Aid bill. So attention turned to the appropriations bills which allocate foreign aid money and which were the only bills that would be passed that year. The RESULTS office began mailing regular packets containing 4-5 editorials to all the members of the Foreign Operations Subcommittee of Appropriations in both Houses.

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<sup>82</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 120.

<sup>83</sup> For the entire story, see Sam Daley-Harris, *Reclaiming Our Democracy*, 107-125. The Senate version of the bill was called the Microenterprise Loans for the Poor Act of 1987. It had over 60 co-sponsors.

During this entire period, USAID personnel did everything they could to oppose the legislation, including sending letters to every member of Congress on several occasions. Their staffers were also regularly on the Hill, claiming that loans to the very poor were not feasible, not cost effective, and not mandated. In a recent interview, Michael Rigby commented on the constant opposition of USAID and others:

*"It became clear that the Agency [USAID] and most of the large aid organizations were not at all happy about the small loan size [maximum \$300] that we were stipulating in the program. But we knew that that was essential to be sure that it focused on the very poorest people, and we were not willing to concede that. We conceded a number of points, but we would not concede on the loan size, nor on the requirement that loans be given to women . . . so we had to fight for that . . . One of the amazing successes of microcredit is that now people understand . . . microcredit is a very effective tool for dealing with the problem of poverty . . . and that's what we were saying in 1987, when everybody else was saying 'no, no, no, no, no, we don't want to do this'."*<sup>84</sup>

In the end, RESULTS got a commitment of \$50 million for microenterprise loans. The focus on the very poor was not mandated in the bill, but was included in non-binding report language. The language called for 80% of the loans to be targeted to microentrepreneurs in the poorest 50% of the population with special emphasis on women. Although the legislation was not as strong as originally hoped, it did establish, for the first time, a microenterprise program for USAID, which continues to this day. This was one of RESULTS' greatest early successes!

#### **D. Ensuring Implementation: "Where Credit Is Due" Report and GAO Report**

Since the USAID staff had vigorously opposed the legislation, and since the language was not mandatory, RESULTS' staff had a strong suspicion that the Agency wouldn't follow through in any significant way. Fortunately, about a

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<sup>84</sup> Michael Rigby, taped interview by the author, 23 April 2006.

year later, the USAID Administrator sent a report to the lead Congressional sponsors of the bill, stating that “. . . [we have] complied with, and indeed exceeded, both the letter and the spirit of the microenterprise legislation.”<sup>85</sup>

Sam Daley-Harris and Michael Rigby jumped on this opportunity and were thereby able to turn a lemon into lemonade. In 1989, they hired a research associate named Danielle Yariv to look into the record. Her assignment was to evaluate USAID’s performance in meeting the poverty guidelines and loan size requirements that the USAID Administrator’s report said they were “meeting or exceeding”.<sup>86</sup> Her report was titled “Where Credit is Due” and its findings were, not surprisingly, that USAID was far from compliance with the letter and spirit of the law as the USAID Administrator had claimed in testimony before Congress months earlier. The report was given to the Congressional sponsors, who in turn ordered an investigation by the Government Accounting Office (GAO). GAO’s report corroborated the RESULTS report’s findings. GAO found that “...the missions we visited . . . did not specifically target their microenterprise projects to the poorest 50 percent . . . or emphasize women. Also, loans frequently exceeded \$300”.<sup>87</sup> Alex Counts commented during a recent interview that, even today, 17 years later, the RESULTS study and the GAO report are “legendary” in the halls of USAID, because the agency was being held to account for the integrity of its program claims, which had rarely happened in the past.<sup>88</sup>

#### **E. Focus on Appropriations - 1988 through 1999**

For twelve years, from 1988 through 1999, RESULTS did not present a major microenterprise bill. Still, RESULTS persisted in pushing the microenterprise model in Congress. Year after year, RESULTS volunteers and staff worked to

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<sup>85</sup> Sam Daley-Harris, *Reclaiming Our Democracy*

<sup>86</sup> Danielle Yariv was, in Alex Counts’ words, a “super-smart Stanford graduate who had spent a few years in Nicaragua . . . she joined the RESULTS Ed Fund staff in 1989 and her report came out in late 1989--and it really made waves at USAID”.

<sup>87</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 169.

<sup>88</sup> Alex Counts, taped interview by the author, 13 April 2006.

get an earmark<sup>89</sup> for microenterprise in the Federal budget, but without success. Instead, year after year, in Alex Counts' assessment, RESULTS "doggedly pursued" annual funding increases in the appropriations bills.<sup>90</sup> RESULTS also worked to include report language that set standards for reserving at least 50% of the microenterprise money for loans of less than \$300 to borrowers living on less than \$1 per day who were mostly women.<sup>91</sup>

As stated earlier, Alex Counts returned to Bangladesh at the end of 1992. He was replaced as Legislative Director by Joanne Carter, a Veterinarian from New York who had been a RESULTS volunteer and Group Leader for several years. Currently in her 13th year with RESULTS, Joanne is highly respected in both the international health and microfinance fields. She is the architect of all of RESULTS' many legislative successes since 1993.<sup>92</sup>

#### **F. Microenterprise for Self-Reliance Act of 2000**

By Fiscal Year (FY) 2000, RESULTS' efforts had succeeded at increasing the annual appropriation for microfinance to over \$100 million and had made progress in shifting half of the funds toward loans for the very poor to help them rise out of poverty. It was now time to go for a line item in the budget<sup>93</sup> and for language in the law that would protect funding for the very poor.

Sam Daley-Harris had spent a considerable amount of time over the years educating and working with Representative Ben Gilman (R-NY), a moderate who served for 30 years in the House. The Representative was, for many years, the ranking Republican on the House International Relations

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<sup>89</sup> An "earmark" requires that funds be used for a specified purpose. An earmark may be for one year or for many years.

<sup>90</sup> Alex Counts, taped interview by the author, 13 April 2006.

<sup>91</sup> "Report language" is verbiage added in an attachment to legislation. Such language can be binding or non-binding on the utilization of funds.

<sup>92</sup> In 1995, Joanne was joined by the extremely competent Leila Nimatallah, who has been her "right hand person" ever since.

<sup>93</sup> Technically, a line item in the budget has a dollar amount assigned.

Committee, and he served as its chair for six years, from 1995 through 2000.<sup>94</sup> Representative Gilman had been a big fan of microenterprise ever since he had played an important role in the passage of the Self-Sufficiency for the Poor Act of 1987.

Joanne Carter<sup>95</sup> asked Representative Gilman to initiate a new bill in 2000 to give microenterprise legal standing as a U.S. development strategy. Representative Gilman agreed to be an initial sponsor of the legislation. So did Representative Sam Gejdensen (D-CT), ranking minority member of the House International Relations Committee.<sup>96</sup> The RESULTS staff and Representative Gilman's staff drafted the initial legislation.<sup>97</sup> It was designated as H.R. 1143, the Microenterprise for Self-Reliance Act of 2000.

The legislation they prepared contained, among other things, the following key provisions: (1) Five pages of findings that laid out the basis for U.S. government involvement and leadership in the microcredit and microfinance fields. (2) A line item in the budget that provided assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including loans and guarantees to credit institutions, training programs for lenders, and training programs for microentrepreneurs. (3) Criteria for support so that the receiving institutions would focus on the following: (a) borrowers who have no access to the formal financial sector, (b) the poorest people in the country, (c) working directly with poor women, (d) recovering the costs of lending, over time, and (e) plans in place for the microlending institution to become financially sustainable, over time. (4)

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<sup>94</sup> Barbara Cannas, RESULTS volunteer, also worked extensively with Rep. Gilman and his staff.

<sup>95</sup> Joanne Carter had been a RESULTS volunteer in Rep. Ben Gilman's district in New York state, so she had a prior relationship with him and his staff.

<sup>96</sup> There was no RESULTS group in Representative Gejdensen's district.

<sup>97</sup> During this period, Mark Kirk was the legislative aide in Representative Gilman's office who supported the Congressman's work on the International Relations Committee. Mark drafted the bill and worked closely with Joanne Carter and Leila Nimatallah in the RESULTS office to create the final language. Mark later successfully ran for Congress in Illinois and continues to serve as of this writing.

Fifty percent of microenterprise resources were required to be targeted to very poor entrepreneurs. Required loan sizes (in 1995 U.S. dollars) were \$1,000 or less in Europe and Eurasia, \$400 or less in Latin America, and \$300 or less in the rest of the world.<sup>98</sup> (5) \$155 million dollars were authorized to implement the legislation.

RESULTS' staff and volunteers worked with Representatives Gilman and Gejdensen to pass the Microenterprise for Self-Reliance Act of 2000. Late in the year, their efforts were rewarded and the legislation passed. A budget line item and formal recognition in law for microenterprise had been achieved, thirteen years after passage of the original legislation in 1987!

### **G. The Amendments Bill-2003 (and the "Grand Compromise")**

The years from 2000 through 2004 saw some of RESULTS' most productive legislative work in the microenterprise arena. The story of the passage of two key pieces of microenterprise legislation in this period involves many key players in the field: USAID, the microfinance industry (through its Microenterprise Coalition), RESULTS and the expanded Anti-Poverty Coalition, and several legislative champions and their aides. The story also involves successes and setbacks, hard negotiations and retreats, and a "Grand Compromise" that included all players. In the end, two comprehensive microenterprise bills were passed.

The story begins in the period after passage of the 2000 legislation, with RESULTS' Legislative Director, Joanne Carter and chief aide, Leila Nimatallah, working quietly and persistently with allies in Congress on microenterprise issues, especially funding. In 2001, Joanne had conversations with Representative Tim Roemer (D-IN) and Representative Chris Smith (R-NJ). The conversations revolved around the need to begin getting serious about requiring USAID to measurably demonstrate its compliance with the

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<sup>98</sup> In the absence of poverty measurement tools, the proxy for poverty levels was loan size for many years.

requirement in the 2000 law that at least 50% of overall U.S. microenterprise funding was benefiting the very poor. This required a stricter definition of the very poor and led to the idea of developing tools to actually measure the poverty level of clients.

Both Representatives Roemer and Smith had their staffs draw up legislation in 2002. Representative Smith's legislation was introduced first and then Representative Roemer's. Soon, the bills were combined and re-introduced as "The Amendments to the Microenterprise for Self-Sufficiency Act of 2000" (hereinafter called "The Amendments Bill-2002"). This version of the bill was narrowly passed by both the House and the Senate. However, it was very late in the session and differences between the House and Senate versions required that it go back to the House, but it was too late and the bill died.

The same bill was reintroduced in January 2003, and it will hereinafter be referred to as the "Amendments Bill-2003". Representative Roemer had resigned in November 2002, so an urgent call was issued by RESULTS and Representative Chris Smith's office seeking a new Democratic co-sponsor. Bruce McCracken and several other RESULTS volunteers in New Jersey had been working for many years with Representative Donald Payne (D-NJ), a colleague of Representative Smith's in New Jersey. Bruce was able to get Representative Payne's aides interested in co-sponsorship and Joanne Carter was able to seal the deal.<sup>99</sup> So the Amendments Bill-2003 was re-introduced in January 2003 with initial co-sponsorship by Representatives Chris Smith and Donald Payne. Representative Payne was a tremendous help with this bill and with the subsequent 2004 bill as well.

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<sup>99</sup> Representative Donald Payne was the head of the Congressional Black Caucus, so he brought considerable influence to the table. Bruce McCracken, a road and bridge planner in Middlesex County, NJ, has been a RESULTS volunteer for over 20 years. He has had a long working relationship with Representative Payne, which helped him to recruit the Congressman to be a lead sponsor of this legislation. See: Bruce McCracken, taped interview by the author, 7 May 06.

Initially, the "Amendments Bill-2003" required that 50% of the incoming clients of all microfinance institutions receiving USAID funds had to be very poor (living on the equivalent of less than \$1 per day or in the bottom 50% of each country's poverty line). The bill also required that "at least two poverty assessment methods" (or "tools") be developed and utilized by all recipients of USAID microenterprise funds to determine and report the poverty levels of incoming and current clients.

Most of the big players in the Microenterprise field expressed strong reservations about the initial legislation, including ACCION, Opportunity International, CARE, World Council of Credit Unions, and, curiously, FINCA. USAID was opposed to the legislation because the Agency staff preferred to avoid all mandates. The microfinance organizations were concerned about the potential costs of measuring poverty levels, given the absence of cost-effective tools. They also seemed to want to avoid offending USAID, which was providing substantial funding to most of them. Sam Daley-Harris posits that:

*" . . . the opponents were concerned about the potential for burdensome new requirements for their programs, the use of yet-to-be-developed poverty measurement tools. I assume a few were also worried they might find out that their clients weren't that poor to begin with."* -Sam Daley-Harris<sup>100</sup>

Sam goes on to point out that many of the largest microfinance institutions were focused on strong financial performance, commercialization, regulation as banks, and the move to private finance. Many of the microfinance institutions felt that serving the very poor and implementing many new measurements, procedures, and reports, could jeopardize their financial performance and profitability.

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<sup>100</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 247.

Joanne Carter and Leila Nimatallah of RESULTS, Chris Dunford of Freedom from Hunger, and Alex Counts of Grameen Foundation USA were virtually alone in support of this legislation at the beginning of this process.

Chris Dunford, President of Freedom from Hunger, took the lead in support of the lobbying effort. Chris was an effective advocate because Freedom from Hunger had documented experience in Bolivia and elsewhere showing that a microfinance institution could serve the very poor and also achieve financial sustainability. He went with Joanne Carter and Leila Nimatallah to many Congressional hearings and private meetings with Members of Congress and their staffs. On several occasions, Chris took members of his Board of Directors to add weight to the delegation.

As usual, RESULTS mounted an extensive editorial, letter writing, and telephone calling campaign through its volunteer activist network to gain co-sponsors and to urge passage of the bill. As a result, the bill eventually garnered 66 sponsors in the House, an outstanding showing of support.

The New Jersey RESULTS volunteers, led by volunteer Phyllis AlRoy and Bruce McCracken, worked tirelessly with staffers from Representative Smith's office and Representative Payne's office. Especially helpful was Representative Smith's dynamic aide, George Phillips.

George Phillips was trained as a school teacher. He was hired by Representative Chris Smith soon after he finished college. When the Congressman gave up his chairmanship of one of the subcommittees of the International Relations Committee<sup>101</sup>, he also gave up his staff members who had expertise in foreign affairs. He asked George to fill in. In a couple of months, George had become competent on a number of international issues, particularly the issue of Human Trafficking of women and children (one of the Congressman's top priorities). Representative Smith had become interested

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<sup>101</sup> He assumed the Chairmanship of the Veteran's Committee at that time.

in microenterprise because he saw that it helped poor women to become economically self-sufficient which might help them to avoid the traffickers. George first learned about microenterprise from a briefing for Congressional staff in 2002 sponsored by Representative Tim Roemer and supported by RESULTS. In a recent interview, George had this to say about his experience working with RESULTS and Phyllis AIroy:

*"I was just really impressed by RESULTS . . . I think Phyllis AIroy is one of the greatest single individual citizens I've seen in terms of her persistence, not just on microenterprise . . . I remember calling her to tell her we finally got the 2004 microenterprise bill through, and she said 'Yes, well, did Mr. Smith sign the TB funding letter?' . . . straight on to the next issue. RESULTS has really . . . first class individuals. From what I saw, they did an excellent job of educating members of Congress, who weren't necessarily into Foreign Aid, on the merits of it . . . If you look at those two microenterprise bills, the number of co-sponsors that we had on them, many of those sponsors had never been involved with foreign aid before . . . it was RESULTS volunteers going in and talking with them . . . and we had great bi-partisan support on both of those bills . . . I think RESULTS does show how you can get things done in Congress."<sup>102</sup>*

Representative Smith assigned George Phillips to be the point of contact with RESULTS on the proposed microenterprise legislation. Throughout the 18-month process to get the "Amendments Bill-2003" through Congress, George worked closely with Joanne Carter and Leila Nimatallah, from the RESULTS staff, and with Phyllis AIroy in New Jersey. George remembers working late into the night on the microenterprise legislation and getting calls from Joanne Carter, and also from Representative Smith who would be calling to check up on progress on the bill.

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<sup>102</sup> George Phillips, taped interview by the author, 12 May 06. Phyllis AIroy is a retired administrative assistant in central New Jersey who operated a microenterprise, creating and selling ceramic jewelry for many years. She organized the Delaware Valley RESULTS group in 1990, which now has 7 active volunteers. She has been working with Rep. Smith's office for over 17 years.

Fortunately, Representative Smith took on the role of legislative champion for this legislation. He didn't want all of his hard work, and that of his staff and RESULTS' staff, to fail in the Senate, so he took the initiative to recruit and work with the co-sponsors on the Senate side of the approval process. He convinced Senator Paul Sarbanes (D-MD) and Senator Mike DeWine (R-OH) to be the initial co-sponsors. So George Phillips frequently found himself working with his counterparts on the Senate side.

During 2002, control of the Senate shifted to the Democrats (as a result of the so-called "Jeffords switch").<sup>103</sup> However, Senator Sarbanes (the Democrat) and Senator DeWine (the Republican) had a close working relationship and continued to co-sponsor the bill in both 2002 and 2003. The two merely switched roles as control of the Senate shifted from Republican to Democratic and back again.

At the point that the Amendments Bill died at the end of 2002, most of the microenterprise field and USAID were still opposed to the legislation because of reservations about the development of acceptable poverty measurement tools. Unfortunately, this meant that the legislation was being reintroduced in January 2003 with substantial opposition and no agreement on priorities.

Enter Susy Cheston, Senior Vice President for Policy of Opportunity International, who had moved to Washington, D.C. in 1999. Susy had become interested in the whole concept of measuring poverty levels and had initiated conversations with Sam Daley-Harris of RESULTS and Representative Chris Smith about the issue. In 2002, she worked with the chair of the Microenterprise Coalition, Lawrence Yanovitch of FINCA, on the original version of the Amendments Bill. In 2003, the two worked behind the

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<sup>103</sup> Senator James Jeffords switched from Republican to Independent on 5 June 2001, which had the effect of changing control of the Senate to the Democrats. The composition had formerly been 50-50 with VP Cheney adding another Republican vote in ties. After the switch, the composition was 49 Republicans, 50 Democrats, and 1 Independent. The composition changed again in January 2003, following the Congressional elections of 2002 which returned control to the Republicans.

scenes with the major microfinance institutions to find common ground, particularly focusing on the issue of the cost-effectiveness of the poverty measurement tools. Susy also worked with RESULTS, USAID, and practitioners to achieve what she saw as the desired end result, which was creating strong incentives for innovation in down-reach to the very poor.<sup>104</sup> After several months, a "Grand Compromise" was achieved which allowed RESULTS and its Anti-Poverty Coalition, the industry's Microenterprise Coalition, USAID, and the Congressional sponsors to come to consensus on a way to move forward with the development of poverty assessment tools. With all parties now supporting the legislation, it passed easily in June 2003.

Susy Cheston and RESULTS' negotiations with the Microenterprise practitioners and USAID had paid off. The resulting "Grand Compromise" was a real breakthrough in the field. Essentially, Susy and the industry found a way to change the language of the bill slightly, dropping the requirement that each microenterprise institution document that 50% of its entering clientele be very poor. This language was replaced by a requirement that all of USAID's funds, spread across the entire field, should be "targeted to the very poor". This reduced the pressure on each individual institution. In a recent interview, Susy Cheston commented on this compromise:

*"I think the compromise was that members of the Microenterprise Coalition, working together with USAID, recognized the practical consideration and cost of measuring poverty while, at the same time, focusing on the ultimate goal of reaching the very poor . . . So with the same spirit of what we've done in the past, we were able to draw on that experience to come together as a community to focus on being financially efficient while at the same time reaching the poor and the very poor. So I think that was the triumph of the compromise . . . RESULTS was very much pushing in one direction - on reaching the very poor - and others in the industry were focused on cost*

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<sup>104</sup> Susy Cheston, taped interview by the author, 13 June 2006. This was corroborated by Chris Dunford in an email message dated 30 May 2006.

*issues, and then in the midst of all of those forces, we were able to come up with this middle ground.*<sup>105</sup>

Key provisions of the final version of "The Amendments Bill-2003" are: (1) Fifty percent of USAID's microenterprise grants (rather than individual microfinance institutions themselves) shall be "targeted to the very poor". (2) Defines "very poor" as individuals (a) "living in the bottom 50 percent below the poverty line established by the national government in the country in which those individuals live", or (b) "living on the equivalent of less than \$1 per day". Both urban and rural poor are to be served. (3) Provides for a monitoring system which "adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive needed microenterprise loans, savings, and assistance". (4) Requires USAID to develop "no fewer than two low-cost methods for partner institutions to . . . assess the poverty levels of current or prospective clients". These two (or more) poverty assessment methods were originally to have been developed and certified no later than 1 October 2004.<sup>106</sup> (5) Authorizes \$175 million for FY 2003 and \$200 million for FY 2004 to implement the Act.

Sam Daley-Harris was exultant upon learning of the passage of the legislation. For years, he and others in RESULTS had been offering what he called "brilliant carrots to encourage practitioners to reach the very poor . . . but this legislation--a stick, not a carrot--changed everything".<sup>107</sup> It now appears, from early observation in the field, that implementation of the new law, with its focus on serving the very poor and on measuring poverty levels, is having a profound impact in the field. And Sam surmises, in the most recent *State of the Microcredit Summit Campaign Report 2005*, that "the new law could have a profound impact on all of development, not just

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<sup>105</sup> Susy Cheston, taped interview by the author, 13 June 2006.

<sup>106</sup> The 2004 legislation changed the deadline to 1 October 2006.

<sup>107</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 248.

microfinance, by assisting leaders in fields such as health and education in their own efforts to ensure that the very poor are not left out".<sup>108</sup>

## **H. Microenterprise Results and Accountability Act of 2004**

After passage of the 2003 legislation, there were still a number of issues to resolve. Aides to Representatives Chris Smith, Henry Hyde, and Tom Lantos were interested in creating a model of transparency and accountability for USAID programs, and they decided that microenterprise programs would be a good test case. Their plan included upgrading the microenterprise program within USAID to the status of an Office of Microenterprise Development which would have the power to review annual strategic plans and require more reporting and transparency in the field. Representative Henry Hyde's office was also eager to include an outright ban on contractors and consultants to ensure that all funding would go to direct microenterprise service providers. Members of the Microenterprise Coalition were not so concerned about the contractor issue, but they were interested in leveling the playing field so that they could compete directly for USAID funding instead of regularly having to go through contractors and consultants.<sup>109</sup> USAID was also concerned that the original deadline of 1 October 2004 for certification of at least two poverty measurement tools was too soon and needed to be extended.

So it was decided to prepare an additional bill for 2004 to handle these and other issues. For the new legislation, Representative Chris Smith again took the lead, with co-sponsorship and strong support from Representative Donald Payne (D-NJ). He was able to recruit the same two Senators, Paul Sarbanes and Mike DeWine, to co-sponsor the legislation in the Senate. As of January 2004, Susy Cheston had been promoted to Senior Vice President for Policy at Opportunity International and she had become the co-chair of the industry's Microenterprise Coalition, along with Lawrence Yanovitch. She and the

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<sup>108</sup> Sam Daley-Harris, *State of the Microcredit Summit Campaign Report 2005*, 17.

<sup>109</sup> Susy Cheston, email message dated 9 July 2006.

Coalition played a very active role in the efforts to pass this legislation. And, as usual, RESULTS was a key player.

The original legislation had the following key provisions: (1) Increased USAID reporting requirements to ensure greater cost-effectiveness of programs and transparency in USAID funding decisions. (2) Established an Office of Microenterprise Development to oversee USAID microenterprise funding distributions. (3) Prohibited payment of funds to contractors and consultants and other intermediaries. Funds should go directly to microenterprise institutions. (4) Extended the deadline for completion and certification of two poverty assessment tools to 1 April 2005. (5) Extended the deadline for utilization by all USAID microenterprise grant recipients to be using the tools to 1 October 2006.<sup>110</sup>

At that time, Representative Henry Hyde was the Chair of the House International Relations Committee. His aide, Peter Smith,<sup>111</sup> weighed in with George Phillips and was extremely helpful in negotiating with USAID. Peter was the one who, on behalf of his boss, was pushing for a ban on payments to contractors and consultants. This provision was resisted furiously by the contractor community around the country. Many contractors received the initial grants from USAID and then disbursed them to the microfinance institutions, charging large percentages of the funds for overhead and “consulting” fees before the funds ever left the U.S. The contractors stood to lose a lot of money if the legislation passed. As longtime Washington insiders, they had considerable political clout. When Peter Smith saw that the anti-contractor provision wouldn’t fly, he worked with RESULTS and the microfinance community to replace the provision with the following language:

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<sup>110</sup> No funding was attached to this bill, leaving it to RESULTS to push for funding in the Appropriations process.

<sup>111</sup> According to George Phillips, Peter Smith was a real policy expert and strategist whose advice was invaluable during this process. He was a former USAID staffer who had worked on creating the Administration’s Global AIDS program and the Millennium Challenge Account. He now works at the United Nations.

*"Assistance under this section shall emphasize the use of implementing partner organizations [microfinance institutions] that . . . shall especially provide the greatest possible resources to the poor and very poor. When administering assistance under this section, the Administrator [of USAID] shall take into consideration the percentage of funds a provider intends to expend on administrative costs."*

Obviously, this language recommends that a more level playing field be created for implementing partner organizations [the microfinance institutions], thereby going around the contractors, but there is no firm requirement that USAID take definitive action. It was, however, the best that could be arranged in order to have any hope of passing the bill.<sup>112</sup>

The final passage of the bill was a real cliff-hanger. Fortunately, it did pass in the final hours of the 108th Congress, in the second lame duck session (early December 2004) and was signed into law by the President on 23 December 2004.

The successful passage of the Microenterprise Results and Accountability Act of 2004 completed RESULTS' three-year campaign to provide a higher level of accountability in the field, a cost-effective and field-tested system of poverty measurement methods, and a greater and more enforceable focus on serving the very poor. A significant milestone had been passed.

## **VI. BUILDING THE MICROFINANCE MOVEMENT: HIGH-IMPACT EVENTS**

*"My heart is brimming with joy and gratitude. Because today is truly a 'birth-day'. Today we have given birth to one of the largest humanitarian endeavors ever attempted by the human family. Today we have launched a movement! . . . Our microcredit movement will someday embrace every nation of the planet. It will benefit at least one of every ten families in*

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<sup>112</sup> See the Thomas listings for legislation after the Bibliography section of this paper. This language quoted is taken from Section 252.

*the world. It will be led not by governments but by their citizens. Its greatest victories will be won not by soldiers but by mothers. Its most important acts of creativity and of generosity will be demonstrated not by technicians or donors but by the very poor. . . . Today is launched a movement too powerful to fail. Its power is fueled by the most potent energy of all--a mother's love for her children. Its unity is insured by the most natural imperative of community--the need for neighbors to help each other.*

-Dr. John Hatch<sup>113</sup>

## **A. Events as a Support for Movement Building**

Along with the many hundreds of press conferences and media events held by RESULTS, there have also been hundreds of forums, conference panels, and other events organized by RESULTS volunteers to educate the public and to help build the movement. On two occasions, RESULTS organized massive events to advance the cause of ending hunger and poverty. In 1990, RESULTS worked with UNICEF to publicize the World Summit for Children. RESULTS organized over 1,500 candlelight vigils, one week before the Summit, which were attended by over 1 million people. The resulting worldwide media coverage helped the World Summit for Children to be the largest gathering of Heads of State in history at that time.

Several years later, Sam Daley-Harris worked with the other members of the Anti-Poverty Coalition, John Hatch of FINCA and Muhammad Yunus of the Grameen Bank, to organize the Microcredit Summit. The goal of the Summit became "to reach 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". It was held in 1997. The microfinance movement was officially launched at the Summit. Such massive events are very taxing for a small organization to undertake, but if well planned, timed, and executed, they can have a huge impact and serve as a major catalyst for advancing a movement. After the Microcredit

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<sup>113</sup> John Hatch, "Comments by John Hatch to the Closing Plenary of the Microcredit Summit, February 4, 1997" (Washington, D.C.: FINCA, 1997, photocopied).

Summit, RESULTS created a special multi-year project, called the Microcredit Summit Campaign, headed by RESULTS founder, Sam Daley-Harris, to track implementation of the Summit's goal and to encourage the field to continue to focus on reaching the very poor.

## **B. An Audacious Idea**

Sunday, 10 July 1994, was a watershed day in the history of RESULTS and in the history of the Microfinance movement. It was on that day that Dr. John Hatch, founder of FINCA, participated in a panel on ending world poverty at the RESULTS International Conference. With John on the panel that day were Alex Counts, then with CARE in Bangladesh, and Omiyale DuPart, one of the star borrowers from the Women's Self-Employment Program (WSEP) in Chicago who was later to be featured in Alex's forthcoming book.<sup>114</sup> There were about 200 RESULTS volunteers in the audience.

John Hatch began his presentation by sharing his idea that poverty is a *disease* and that microcredit is a *medicine* that is a major part of the solution for the disease. He went on to propose a truly audacious idea. He proposed that Grameen and FINCA should team up to provide microloans to 200 million of the world's poorest families by the year 2005. He went on to explain how \$31 billion would be needed to fund all of the loans for 200 million borrowers and that one-third would come from the savings of the borrowers, one third would come from the Grameen system, and the final one third would come from the FINCA system. Additional capital of about \$6 billion for training and other non-lending operations would come from governments, the World Bank and regional banks, private sector foundations, and the conventional world capital markets. At the end of his presentation, people were stunned. Alex had done some quick projections of what was possible and he shared them with the group. A lively discussion followed. At the end of the discussion, John mentioned that he had put the whole

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<sup>114</sup> Alex Counts, *Give Us Credit*, 1996. See especially Chapter 6 on Omiyale.

concept down in a memo and that he had copies in the back of the room. There was a mad scramble as people rushed to get a copy.<sup>115</sup>

Alex Counts took John's idea back to Professor Yunus in Bangladesh. They quickly conferred with Sam Daley-Harris, who liked the idea. Professor Yunus, upon reflection, felt that 100 million would be a more achievable goal for a 10 year campaign.<sup>116</sup>

Somewhere in the hurried conversations between Prof. Yunus, John Hatch, Sam Daley-Harris, and Alex Counts, the idea of a Summit was born. The purpose of the Summit would be to launch the new movement and to introduce the goal to the field and to the world. It was inspired by the success of the World Summit For Children in 1990.<sup>117</sup> Sam had been looking for a way to make a bigger impact on poverty and he believed this was it.

### **C. The Microcredit Summit: Birthing a Movement**

*"We are assembled to launch a global movement to reach 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."*

Microcredit Summit Report and Plan of Action<sup>118</sup>

There had been a long series of U.N. Summits in the 1980s and 1990s - ". . . The Children's Summit in 1990, the Earth Summit in 1992, the Social Summit in 1995, the Housing Summit in 1996, the Food Summit in 1996, and all the other conferences including the Women's Conference in Beijing in

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<sup>115</sup> John Hatch, *Eliminating Severe Poverty in the World by 2005*, 1994.

<sup>116</sup> Prof. Yunus was asked why he thought 100 million would be feasible. Lots of people were suggesting 50 million. Prof. Yunus would reply, ". . . so you think 50 million is the right number, and the person would say 'yes', and he would say, "you do the first 50 million and I'll do the rest . . .".

<sup>117</sup> As stated earlier in this paper, RESULTS had a lot to do with the success of that Summit, the largest gathering of Heads of State in history, through organizing over 1,500 candlelight vigils the week before to bring attention to the Summit.

<sup>118</sup> [Sam Daley-Harris], "Declaration and Plan of Action, The Microcredit Summit, February 2-4, 1997", front cover.

1995."<sup>119</sup> None of these Summits addressed microcredit in any serious way. So the members of the Anti-Poverty Coalition decided to create a civil-society-organized summit to spotlight the successes of the microcredit field, to gain support for moving toward the goal of reaching 100 million of the world's poorest people by 2005, and to launch a movement. The coalition decided to call this prospective summit the "Microcredit Summit".

In August 1995, Sam Daley-Harris resigned as President of RESULTS and became the President of the RESULTS Educational Fund with the sole responsibility of creating a Microcredit Summit. An organizing committee of 12 high-level individuals was formed, including Sam, Prof. Yunus, John Hatch, other microcredit leaders, and people from the World Bank, the Carter Center, and Citicorp.

The typical U.N. summit has thousands of people gather to spend three or four days working out wording and debating such repetitive concerns as abortion, population control, and corruption (regardless of the subject of the summit). At the end of the summit, a Declaration and Plan of Action is produced, setting forth some goals and suggestions for actions, and then everybody goes home. Then very little happens. Sam and the organizing committee were determined that this summit would be different. So they spent two years hashing out the exact language for a single measurable goal (see the quote at the beginning of this section for the final language). Those two years were also spent producing a 59-page Declaration and Plan of Action that everybody could support. In his book, Prof. Yunus comments on this process:

*"Drafting our declaration proved to be very contentious . . . Sam grew increasingly frustrated. I tried to cheer him up by saying that we had to confront all our academic, institutional, and philosophical differences head on. It was easy for me to say*

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<sup>119</sup> Sam Daley-Harris, *Reclaiming Our Democracy*, 242 (footnote).

*from the safety of Dhaka, but Sam was the focal point of everyone's anger."*<sup>120</sup>

In the end, after much debate, the Declaration and the Plan of Action document was completed and was ready to be adopted.<sup>121</sup> The Microcredit Summit was held in Washington, D.C. at the Marriott Wardman Park Hotel. 2,900 people attended, including several Heads of State, Prime Ministers, Cabinet members, Queens, and First Ladies. The heads of the World Bank, UNICEF, UNDP, and other agencies were also present.

Sam Daley-Harris, John Hatch, Muhammad Yunus, and the rest of the organizing committee were determined that the Summit would be an action-oriented meeting aimed at implementing the goal and the action plan. So the Declaration and Plan of Action document was adopted as the first action of the Summit. Then there were five Plenary Sessions that started with a five minute video of a borrower from one part of the world (to presence borrowers in the room in a powerful way). Then there was a musical presentation from that part of the world, and then a Plenary on one aspect of the challenge to reaching the poor through microcredit. To promote action, the attendees at the Summit were assigned to one of 15 Councils (i.e. Practitioners, Educators, U.N. Agencies, Advocates, etc.). Each council had many break-out sessions on ways to implement the goal of the summit on such topics as: measuring poverty, becoming financially self-sustaining, serving the very poor, training for loan officers and branch managers, maintaining a high repayment rate, and so on.

There were many inspiring speeches given that day. In one of them, Muhammad Yunus said: "Only sixty five years after the 12-second flight of

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<sup>120</sup> Muhammad Yunus, *Banker to the Poor*, 241.

<sup>121</sup> As usual, the debate over the goals centered on doubts about whether the "world's poorest families" could really be served. Also, there was concern that more than just credit was needed. So "other financial and business services" was added to the goal. And, of course there were many who felt that the 100 million goal was too high.

the Wright Brothers, man went to the moon. Sixty five years after this summit, we will also go to our moon. We will create a poverty-free world."<sup>122</sup>

The Microcredit Summit gave a tremendous boost to the microfinance field, and it has been growing exponentially ever since. There are now thousands of organizations providing microenterprise loans for the poor, and the number of very poor borrowers has grown from 8 million in 1997 to over 66 million in 2004.<sup>123</sup>

#### **D. The Microcredit Summit Campaign: Tracking the Performance of the Movement**

It is an amazing undertaking to put on a major summit, and kudos are certainly owed to the organizers. However, very little happens after a summit unless there is follow-up. Recognizing this, RESULTS decided to create a long-term project, to be called the Microcredit Summit Campaign, and to attach it to its educational branch, the RESULTS Educational Fund. Sam Daley-Harris, then serving as President of RESULTS Educational Fund, took on a new role as full-time director of the Microcredit Summit Campaign. Sam decided to keep the Council structure from the Summit, so the heads of the 15 Councils, all well known in their fields, became the Advisory Council for the Campaign. The Campaign has shared office space with RESULTS from the beginning.<sup>124</sup>

The stated purpose of the Microcredit Summit Campaign is to assist the field to achieve the Microcredit Summit Goal through tracking the extension of

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<sup>122</sup> Muhammad Yunus, *Banker to the Poor*, 245.

<sup>123</sup> Sam Daley-Harris, *State of the Microcredit Summit Campaign Report*, 24. It is estimated that the total number of very poor borrowers receiving loans rose to about 85 million by the end of 2005. Final figures will be announced at the Microcredit Summit in Halifax, Nova Scotia, in November 2006.

<sup>124</sup> Several years earlier, the World Summit for Children Candlelight Vigils had severely strained RESULTS' resources. As a result, every effort was made to hide the relationship between the Microcredit Summit Campaign and RESULTS. In addition, there was a desire to distance the Campaign from RESULTS' lobbying functions. Even today, nine years later, few people know that RESULTS' most successful and long-standing project, the Microcredit Summit Campaign, is a project of RESULTS.

loans to the very poor. The unstated purpose of the Campaign is to keep the movement alive to end poverty and to push the microfinance field to concentrate on that goal.

One of the key strategies to help the field move toward the 100 million goal is tracking. Each year since its inception, the Campaign has encouraged all microfinance providers to submit Institutional Action Plans which state the number of clients served, the poverty level of those clients, the number of loans outstanding, and more. The philosophy is, "what you count is what you get". All too frequently, inspiring meetings happen, such as the Microcredit Summit, and very little happens afterward because the goals were not specific and measurable and nobody checks afterward to see if progress is being made toward reaching the goal.

In this case, the Microcredit Summit Campaign is doing the checking. In the Microcredit Summit Campaign Report 2005, 781 institutions submitted Institutional Action Plans. Many of the smaller programs did not submit Action Plans, but the 781 that did so represented 90% of the very poor clients in the report. In recent years, the Microcredit Summit Campaign has added the extra step of asking reporting institutions to have their data verified by an outside party. In the 2005 report, 330 institutions had had their data verified, representing 87.7% of the total very poor borrowers reported.

As a result of rigorous and regular tracking of results by the Microcredit Summit Campaign, the microfinance field actually knows what progress is being made. This is extremely rare in development fields. Remarkably, the progress has been substantial. In the 2005 annual report, the total number of programs reporting was 3,164, a small increase of 231 over the figures in the 2004 report and a dramatic increase from the few hundred known programs in 1997. During the Campaign's eight years from 1997, the growth in number of very poor borrowers reported has been phenomenal -

776%, from 7.6 million in 1997 to 66.6 million in 2004! Current projections are that the final 2005 figures, due to be reported at the Halifax, Nova Scotia Microcredit Summit in November 2006, will be somewhere around 85 million very poor borrowers,<sup>125</sup> with around 110 million total borrowers served. It now appears likely that the goal of reaching 100 million of the world's poorest families will be reached in 2006 or 2007. But it will be reached!

Sam Daley-Harris, in the 2005 Campaign report, quotes author David Bornstein, in the new edition to his book, *The Price of a Dream*, as saying that the progress of the Microcredit Summit Campaign "represents one of the few times that a major development promise is going to be fulfilled--and remarkably close to schedule".<sup>126</sup>

## **VII. RESULTS' CONTINUING ROLE**

*"We believe that poverty does not belong in a civilized human society. It belongs in museums."* -Muhammad Yunus<sup>127</sup>

### **A. Ending Poverty**

RESULTS' role in the microfinance field over the years has been to keep pushing for a focus on providing microfinance services to the very poor. Again and again, RESULTS' actions have provided support for USAID to target 50% of its overall microenterprise funding at the very poor, mostly women, with loans under \$300.<sup>128</sup>

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<sup>125</sup> "Very poor borrowers" are those who live on less than the equivalent of \$1 per day, or in the bottom 50% of those living below their country's poverty line.

<sup>126</sup> David Bornstein, *The Price of a Dream*, 2d. ed., paperback (London: Oxford University Press, 2005), quoted in Sam Daley-Harris, *State of the Microcredit Summit Campaign Report 2005*, 27.

<sup>127</sup> Muhammad Yunus, *Banker to the Poor*, 245.

<sup>128</sup> Specifically, the standard for loan size in the Microenterprise RESULTS and Accountability Act of 2004 is: \$1,000 or less in Europe/Eurasia, \$400 or less in Latin America, and \$300 or less everywhere else. Currently, of course, the standard is

RESULTS' focus is now shifting to the Millennium Development Goal of cutting absolute poverty in half by 2015.<sup>129</sup> But to do this, one needs to be able to *measure poverty*. Without measurement, there is no accountability. And without accountability, one cannot define the beginning level, the middle, or the end. With such uncertainty, it is impossible to track progress from one level to another. Measurement is key to any poverty elimination strategy. This is why RESULTS and its Congressional allies have worked so hard to include poverty measurement tools in the last two pieces of microenterprise legislation. USAID has responded by giving a contract to the IRIS Center at the University of Maryland to produce the required poverty measurement tools.<sup>130</sup> At a recent meeting between RESULTS, USAID, and a number of microfinance institutions, it was announced that the two tools envisioned in the legislation will not be ready by the 1 October 2006 deadline--and they may never be ready. After extensive fieldwork, IRIS personnel have determined that it may be more reliable to develop a poverty measurement tool for each country or region. Initially, by the October deadline, 21 tools will be certified. Additional tools will be certified in 2007.<sup>131</sup> Finally, the field will be able to reliably measure the progress of millions of poor people as they work their way out of the most severe level of poverty, and hopefully beyond.

As is well known, poverty is not just an *economic* condition, although it is conventional in the field of economics to treat it as such. Poverty is a complex condition that involves, at the very least, a person's income, assets, health, clothing, housing, occupation, mental state, family situation, and spiritual state.

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shifting to measured poverty levels, as the poverty measurement tools are being developed and certified.

<sup>129</sup> Specifically, there are two new goals: (1) to reach 175 million of the world's poorest people by 2015, and (2) to ensure that 100 million of those people move above \$1 per day in total income by 2015. See Section VI.B., below, on achieving the Millennium Development Goals.

<sup>130</sup> Sam Daley-Harris, *State of the Microcredit Summit Campaign Report 2005*, 31.

<sup>131</sup> Kate McKee, taped interview by the author, 8 May 06.

If poverty is so complex, what will it really take for RESULTS and the microfinance movement to nudge the world toward eliminating it? It will not work to “go it alone”. The condition of poverty is too massive for that. So it is essential to build alliances outside the field. Fortunately, 2005 was a kind of watershed year for such alliances. With the advent of the U.N. “Year of Microcredit”, literally hundreds of universities all over the world “discovered” microfinance and held conferences and forums to explore the issues. The One Campaign sprang into the public consciousness, with its talk of “making poverty history”, its rock stars (Bono and Bob Geldof), and its many movie stars. The One Campaign held the famous “Live 8” concerts aimed at pushing the G8 Summit at Gleneagles, Scotland, to provide support in the areas of debt relief, aid, and trade.<sup>132</sup> And an economist became famous for his appeal to end hunger. Jeffrey Sachs has been called the “world’s most famous economist”.<sup>133</sup> Sachs travels frequently with Bono and with Angelina Jolie, which further expands his own celebrity. But it is his book that probably will have the greatest and most long-lasting impact.

Jeffrey Sachs’ new book, published in 2005, is entitled *The End of Poverty: Economic Possibilities For Our Time*.<sup>134</sup> Whether this title is the cause or the result, it appears that the opinion leaders of the world have now moved to a point where the *end of poverty is an idea whose time has come*.<sup>135</sup> What we can conceptualize, we can achieve. It now appears that we can conceptualize the end of poverty. This is not a small thing. While it is true that a significant number of thinkers still do not agree, particularly in the

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<sup>132</sup> The G8 conference did, in fact, deliver on debt relief and aid (at least in terms of promises). No progress was made on the trade issue.

<sup>133</sup> So named by Time Magazine, 14 March 2005 when Jeffrey Sachs and his book were on the front cover.

<sup>134</sup> Jeffrey Sachs, *The End of Poverty: Economic Possibilities For Our Time* (New York: The Penguin Press, 2005). The book contains a fascinating overview of development successes and failures around the world, and a set of potent recommendations for a “millennium villages” project which is a hopeful experiment in using comprehensive applications of foreign aid, combined with local initiative, to move whole villages of people sustainably out of poverty.

<sup>135</sup> The Hunger Project addressed the same kind of conceptual issues with regard to hunger. Its initial focus was on consciousness-raising and educational activities designed to have the “end of hunger become an idea whose time has come”.

academic community, we have cracked the cosmic egg and now there is no going back.

So what will it take to end poverty? Some of the main answers are not surprising: comprehensive development approaches that include sufficient food and nutrition for all, health education and access to healthcare, clean water and sanitation, and adequate housing and clothing appropriate to the climate. These are all aimed at people living in what C.K. Prahalad calls the “Bottom of the Pyramid”, where such basic services are so inadequate as to threaten life and health.<sup>136</sup>

Providing such services would still not be sufficient to get masses of people sustainably out of poverty. For that we would need a stable source of income from jobs or microenterprise (including its variations: microfranchising, savings circles, or poverty-oriented banks).<sup>137</sup> With a stable economic base and the self-esteem that comes from self-employment, many women find themselves in a better position to find or demand the basic services cited above. Then, to sustainably move borrowers and their families out of severe poverty, they would need education for all their children, adequate roads and transportation, minimal electric power, and some form of electronic communications.<sup>138</sup> Beyond that, it would be helpful to have infrastructure support from a dependable national banking system, a stable government, a fully-functioning judicial and conflict resolution system, and civil liberties such as freedom of press, religion, speech, opportunity, and movement. While these infrastructure supports and freedoms are helpful, they are probably not essential for bringing masses of people out of severe poverty.

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<sup>136</sup> C. K. Prahalad, *The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits* (Upper Saddle River, NJ: Wharton School Publishing, 2004).

<sup>137</sup> A job might also help, but most jobs for unskilled and illiterate women are hardly empowering since they are close to slavery.

<sup>138</sup> See Syed Hashemi, taped interview by the author, 9 May 2006.

RESULTS' position is that microfinance should be a significant part of any comprehensive grassroots development strategy. RESULTS' Microcredit Summit Campaign has worked to show that "credit plus" programs that include education, health education, basic healthcare, and sometimes other social services can be provided while the microfinance institutions are becoming increasingly self-sustaining.<sup>139</sup> Studies have shown that Grameen villages have better health care, better infant and maternal mortality rates, better sanitation and water, and better educated youth than surrounding villages, along with better movement out of poverty.<sup>140</sup> A lot more needs to be done to find optimal "comprehensive development approaches" that work. RESULTS will continue to be in the forefront of such efforts.

## **B. Reaching the Millennium Development Goals**

With the arrival of the Millennium Development Goals, RESULTS suddenly gained a major new set of goals and allies in the fight to end poverty. Not surprisingly, in 2005, the final year of the original campaign set forth at the Microcredit Summit, the RESULTS Board of Directors voted to shift to two new goals for the Campaign: (1) to reach 175 million very poor families with credit for self-employment . . . by the year 2015; and (2) to move 100 million of the world's poorest families from below \$1 per day to above \$1 per day by 2015.<sup>141</sup> Assuming that there are five people per family, 100 million families would be 500 million people, or nearly the total required in the Millennium Development Goal which calls for cutting absolute poverty in half

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<sup>139</sup> RESULTS has spotlighted the CRECER and Pro Mujer programs in Bolivia that are examples of variations on the "credit plus" approach.

<sup>140</sup> For a survey of studies and findings on the impact of the Grameen Bank and many other programs around the world, see: Nathaniel Goldberg, "Measuring the Impact of Microfinance: Taking Stock of What We Know" (Washington, D.C.: Grameen Foundation USA Publication Series, December 2005).

<sup>141</sup> These goals are adjusted for PPP - purchasing power parity. This is a complex procedure for relating prices of basic goods, like a sack of rice, in such dissimilar places as Vietnam, with about \$140 annual per capita income, and Nicaragua, with about \$900 annual per capita income.

by 2015. Each of the Millennium Goals has advocacy groups and movements coalescing around it.

RESULTS and the Microcredit Summit Campaign are now poised to focus on Millennium Development Goal #1: To eradicate extreme poverty and hunger. The initial focus will be on the development of poverty measurement tools, but later there will need to be spotlights on successful programs and “sound practices” and probably legislation to propel momentum.

RESULTS is also working on achieving other Millennium Development Goals through its various campaigns. Specifically, Goal #2: To achieve universal primary education (through the Education for All campaign); Goal #4: To reduce child mortality (through the 20-year child survival campaign); and Goal #6: To combat HIV/AIDS, Malaria, and other diseases (through the global health campaign focusing on TB and funding for the Global Fund to Fight AIDS, TB, and Malaria).<sup>142</sup>

### **C. Influencing the World Bank**

In an interview recently, Sam Daley-Harris stated several times that a new challenge for RESULTS will be to increase the pressure on the World Bank to fulfill its mandate to reduce poverty by increasing its support of poverty reducing programs in very poor countries.<sup>143</sup> The World Bank is an institution that has a great deal of money that could be supporting poverty alleviation efforts. For years, RESULTS has worked to create communication, alliances, even friendships with personnel and agencies within the Bank, especially

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<sup>142</sup> Many of the Millennium Development Goals read like a handbook of RESULTS' campaigns of recent years. For the complete list and explanations, see: <http://www.un.org/millenniumgoals>.

<sup>143</sup> Sam Daley-Harris, taped interview by the author, 10 April 2006.

CGAP.<sup>144</sup> Very little of the Bank's lending and grant portfolios go to microfinance or any other kind of direct poverty alleviation program. RESULTS has, on several occasions, arranged for letters and petitions to go from legislatures around the world to the World Bank President. As of this writing, there is a move underway to arrange a meeting between World Bank President Wolfowitz and the U.S. Congress to talk about shifting more World Bank funding into poverty alleviation.<sup>145</sup> The fact is, Congress and most Parliaments around the world can put millions of dollars, sometimes hundreds of millions into development and microcredit. The World Bank can put billions of dollars into the field. It could also adopt rules for its loans to countries that would encourage microfinance. Along with direct pressure, such as letters from Parliamentarians around the world, RESULTS has also worked several times through the oversight committees in Congress to bring pressure to bear on the World Bank to do more for the poor. There was a successful campaign several years ago to have the World Bank (and the International Monetary Fund) drop their onerous practices calling for "Structural Adjustment" of entire economies.<sup>146</sup>

RESULTS' international chapters will be especially active with efforts to have the World Bank do the right thing and support more anti-poverty programs. So it will behoove RESULTS to help those chapters to get larger and stronger in the months and years ahead.

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<sup>144</sup> The Consultative Group to Assist the Poor was established in 1995 by a group of donor agencies and the World Bank. Muhammad Yunus was one of the people who called for the establishment of CGAP, to help the microfinance industry professionalize.

<sup>145</sup> Rep. Rush Holt (D-NJ) is currently working to set up a meeting between Congress and World Bank President Wolfowitz.

<sup>146</sup> "Structural Adjustment" was a euphemism created by the World Bank to refer to a set of conditions placed on issuance of new debt or other types of aid to a country which required that the country "liberalize" its economy by eliminating tariffs and controls on foreign-made goods, eliminating subsidies for agriculture and internal businesses, focusing on export crops and production of materials aimed at generating "hard currencies" (usually dollars) to pay external debt, increasing military and police operations to improve security, reforming monetary, fiscal, and banking policies to increase efficiency and transparency, balancing the budget by reducing spending on social programs such as health and education, and so on.

#### **D. Commercialization of the Field**

*"What's an appropriate use of public funds now that private funds are coming into the market? This opens up the potential for public funds to focus on the more difficult questions of reaching down to populations where we don't have the technology and the methodologies worked out [to serve the very poor]."*  
-Susy Cheston<sup>147</sup>

One of the growing trends in microfinance is the increasing commercialization of the field. Commercialization can mean that existing microfinance institutions are becoming regulated as banks. This process is most common in Latin America, led by ACCION, after Prodem's successful formation of the Banco Solidario in Bolivia in 1992.<sup>148</sup> John Hatch, in a conversation with the author's graduate-level microfinance class, commented that he was hoping to have all FINCA branches regulated in the next two or three years. His reasoning is that the branches could then hold savings, which would then be a cheap source of capital, and the branches could also take in private investments from abroad and from the local communities. When students asked if John thought that such a move would jeopardize FINCA's poverty lending agenda, he responded that he felt the bank's non-poor customers would generate enough profits to cross-subsidize the poverty lending operation within the bank.<sup>149</sup> One point is clear, however, the newly regulated for-profit microfinance banks will no longer need large infusions of government or donor capital.

This raises the question: is there a continuing role for a citizen advocacy group whose main means of influencing the field is through the governmental

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<sup>147</sup> Susy Cheston, taped interview by the author, 5 June 2006.

<sup>148</sup> Amy J. Glosser, "The Creation of Banco Sol in Bolivia, in *The New World of Microfinance: Building Healthy Financial Institutions for the Poor*, edited by Maria Otero and Elisabeth Rhyne (West Hartford, CT: Kumerian Press, 1994), 229-250.

<sup>149</sup> John Hatch, conference call with the author's microfinance class at Denver University, 24 January 2006.

appropriations process? One answer to this question is contained in Susy Cheston's quote above - governmental money can continue to play a role in supporting the increasingly for-profit field to reach down to the very poor where profits are smaller.

Another key role for RESULTS is to continue to push the field to focus on poverty alleviation while it commercializes. Not surprisingly, the business press is hailing the increasing commercialization of the field as an encouraging trend--a sign that the field is "growing up". Indeed, in a recent insert in *The Economist* magazine, the author gives the impression that the field is a mess--inefficient, "subsidized", un-businesslike--and that ". . . one of the most encouraging trends in microfinance is that the world's largest banks and insurers are becoming interested."<sup>150</sup> It is quite unsettling for longtime observers of the microcredit scene to learn that the major banks and insurers are being viewed as "saviors", since their early and longstanding lack of interest in the poor, indeed their disdain for the poor, was a major part of the problem that microcredit was originally designed to correct.

It is beyond the scope of this paper to discuss the many types of commercialization that are occurring in the field. Briefly, one type of commercialization is the entry of socially conscious investment firms into the field to provide "investments" in the form of CD's, letters of credit, and loan guarantees that return 2%-3%.<sup>151</sup> Naoko Felder-Kuzu has written the first summary, aimed at laymen, of the growing number of private microfinance investment funds that have become available.<sup>152</sup> A second type of commercialization is where large banks move "down scale" to become a sort of limited micro-lender. According to a study by Lisa Valenzuela, there were

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<sup>150</sup> [Tom Easton], "The Hidden Wealth of the Poor: A survey of Microfinance", insert in *The Economist Magazine*, 5 November 2005.

<sup>151</sup> These are investments rather than grants because the investor gets the money back with a small return, usually in the 2%-3% range.

<sup>152</sup> Naoko Felder-Kuzu, *Making Sense: Microfinance and Microfinance Investments* (Hamburg: Murman, Die Deutsche Bibliothek, 2004), 38-39. The second half of the book is devoted to describing 50 funds, of which 27 are private funds that have been set up in the last few years.

53 identified bank downscalers as of 1992, most of them in Latin America. The largest and most famous downscaler was the Bank Rakyat Indonesia (BRI), that converted from being a large rural development bank to a microfinance institution in 1984.<sup>153</sup> A third type of commercialization involves microfranchise organizations that are providing opportunities for successful microentrepreneurs to achieve scale in their own or another standardized business. A famous example of this is the GrameenPhone company in Bangladesh where cell phone franchises are sold to “telephone ladies” in villages in Bangladesh.

RESULTS is concerned about the possibility of “mission drift” resulting from this “rush to commercialize” the microfinance field. RESULTS’ continuing role will be to prod microfinance institutions to remember that they are part of a poverty elimination movement and that they should include the very poor in their planning. Normally, this “prodding” will be accomplished through forums, conferences, and summits and their associated papers and proceedings. Occasionally, legislation will be required, such as the recent legislation that requires the field to develop cost-effective poverty measurement tools to ensure that the very poor are being served.

#### **E. Continuing to Build the Movement**

*“ . . .The role for RESULTS has always been building the movement and keeping the focus on the very poor . . . Microfinance practitioners don’t have the capacity to mobilize large numbers of [voting] constituents . . . that’s where RESULTS has been indispensable . . . mobilizing constituents to make the case on the Hill in Washington.”* -Susy Cheston<sup>154</sup>

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<sup>153</sup> Lisa Valenzuela, “Getting the Recipe Right: The Experience and Challenges of Commercial Bank Downscalers”, in *The Commercialization of Microfinance: Balancing Business and Development*, edited by Deborah Drake and Elisabeth Rhyne (Bloomfield, CT: Kumerian Press, 2002), 46-75. See also, Naoko Felder-Kuzu, *Making Sense: Microfinance and Microfinance Investments*, 50-56.

<sup>154</sup> Susy Cheston, taped interview by the author, 5 June 2006.

RESULTS will continue to build the microfinance movement into the foreseeable future. Movement-building requires inspired leadership, not dry facts. A high government official recently told the author that RESULTS' main contribution to the field was "sound bites", thus dismissing RESULTS' movement-building activities and implying that RESULTS' leaders grossly oversimplify information. In a recent interview, a leader at USAID, Kate McKee, expressed the desire that RESULTS' leadership develop a more *nuanced* approach to measuring poverty that recognizes the realities in the field.<sup>155</sup> She feels that the team (at the University of Maryland) she has contracted to develop the poverty measurement tools is doing an excellent job with a very challenging assignment. And she feels that RESULTS has over-simplified the difficulty and complexity of certifying poverty measurement tools for all countries by October 2006, as required in the 2004 RESULTS legislation.<sup>156</sup>

But Ms. McKee may have put her finger on an occupational hazard of movement builders. While striving to be understandable to the ordinary citizen and inspiring to citizens and leaders alike, it is possible to cross the line into oversimplification. Anybody who has read the original Declaration and Plan of Action for the Microcredit Summit, or any of the eight State of the Microcredit Summit Campaign reports, will probably agree that they do not read like government reports. Sometimes they read like poetry. While we hope they are designed to be accurate, they are also designed to inspire. In short, they are movement-building documents written by Sam Daley-Harris, a master-motivator. The fact that the field is reaching the point of serving 100 million borrowers, and that studies show that millions of them are moving out of severe poverty, gives some comfort that the movement is working. Sam and the RESULTS leadership team, along with the rest of the Anti-Poverty Coalition members, will continue to push the boundaries of

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<sup>155</sup> Kate McKee, taped interview by the author, 8 May 2006.

<sup>156</sup> Twenty-one poverty measurement tools will be certified by October, with more to follow in 2007. Joanne Carter and Leila Nimatallah at RESULTS recognize the difficulty with meeting the target date and are willing to be flexible.

acceptable simplification. They do so in order to continue building the microfinance movement so that, in fact, poverty is put into Muhammad Yunus' museum where it belongs.

## **F. Eternal Vigilance**

One of the important functions of citizen's advocacy groups is maintaining eternal vigilance over the agencies that affect their issues. In the case of RESULTS' microfinance work, it is extremely important to keep a watchful eye on Congress, especially the Foreign Relations and Appropriations committees, USAID, the World Bank, and other development institutions.

During its history, RESULTS has experienced several occasions where vigilance lagged and a program suffered negative consequences as a result. In a well-known example, not in the microenterprise area, the Child Survival line (by then expanded to the Child Survival and Diseases Account) in the foreign aid budget had been increasing every year for over 10 years. But in 1993, the first year of the Clinton Administration, with a Democratic House and a Democratic Senate, RESULTS relaxed its customary hard push for increased funding for the line. As a result, the Child Survival and Diseases Account went down for the first (and only) time in its history. The reduction was over \$100 million dollars. RESULTS found itself working with Congress to affect spending by the Administration after the Congressional appropriations process was complete. Restoration of about \$75 million was accomplished, but RESULTS learned to never drop its guard again.

In the microfinance area, RESULTS was vigilant but unable to deter a change at the World Bank. RESULTS was involved, through the Anti-Poverty Coalition, in helping to get CGAP started at the Bank. It was originally called the Consultative Group to Assist the Poorest, but a few years later the name was changed to the Consultative Group to Assist the Poor. The name change was far from cosmetic. It reflected the Agency's opinion that the poorest

(also called the very poor) could not be effectively served by microenterprise and, if so, that the institutions serving them could certainly not be financially self-sustaining. RESULTS has worked for years to dispel this idea. For example, at the Microcredit Summit + 5 event, held in New York in 2002, there were several sessions on serving the very poor while being financially sustainable. In recent years, efforts to set up a meeting between Congress and the President of the World Bank have so far been unsuccessful. So the world's largest development institution continues to pay very little attention to microfinance or the very poor.

Work with USAID has required vigilance, persistence, and constant legislative action over the years. Relations with the Agency have undergone many ups and downs. In the early years, the Agency was steadfastly opposed to RESULTS' initiatives on many fronts, including microenterprise. Over the years, the relationship has matured into what may currently be called one of "wary respect" on both sides. The Office of Microenterprise Development was created as a result of legislation initiated by RESULTS. When functioning well, the Office gave microenterprise a formal presence within the Agency. But after the 911 catastrophe, the office was downgraded. In the 2004 legislation, RESULTS included a formal recognition of the Office to give it more prestige and permanence within the Agency. When USAID and most of the microenterprise field opposed the Amendments Bill-2003, which called for the development and implementation of poverty measurement tools, RESULTS worked with the Anti-Poverty Coalition and reached out to the industry's Microenterprise Coalition to find a compromise. Fortunately, a "Grand Compromise" was achieved, and now both the general microenterprise field and USAID are working much more closely with RESULTS toward the goal of serving the very poor and getting them out of poverty. Susy Cheston, one of the chief architects of the "Grand Compromise", comments on the shift in the field with regard to down-reach to the very poor:

*"The practitioner community and USAID are working together [on the development of poverty measurement tools] now, which was not the case in the beginning . . . I think it ended up in a good place. I'd say there is a lot of good will, a lot of very positive energy and skills being put behind this . . . effort, but we certainly haven't figured out the technical piece of it yet. We're still in the process of that. But I think we have learned something . . . and it has fed that desire for further down-reach [to the very poor], and that's what really counts . . ." <sup>157</sup>*

In spite of all these good feelings and improved working relationships, vigilance is still necessary. At this writing, there are several behind the scenes efforts to water down the poverty measurement requirements in the recent legislation. So it behooves RESULTS, as the only citizen group involved, to ensure that the poverty tools are finally developed, that they are used widely throughout the field, and that findings from the measurements become part of the additional basis and incentive for serving the very poor. The goal is to end the extreme poverty that is such a blight on our world.

Another development that requires vigilance is the current Administration's effort to consolidate all foreign assistance programs under the political control of the U.S. State Department. The Administration's proposed five main priorities for assistance are: (1) curbing HIV/AIDS in Africa, (2) bolstering security in the greater Middle East, (3) fostering "post Cold War partnerships" with Eastern Europe, (4) stemming the tide of illicit drugs from the Andes mountain region, and (5) providing humanitarian assistance worldwide.<sup>158</sup> One consequence of this consolidation is that foreign aid decisions are being subsumed under political priorities. RESULTS has recently learned that FY 2006 microenterprise funding will be going primarily to Afghanistan and the other "stans", Iraq, Palestine, Colombia and the Andes mountain countries. This means that a reduced amount of

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<sup>157</sup> Susy Cheston, taped interview by the author, 13 June 2006.

<sup>158</sup> Phillips/Rogers, *Wall Street Journal*, 7 June 2006. Cited in Kaiser Daily HIV/AIDS Report, Kaiser Family Foundation, [www.kaisernetwork.org/daily\\_reports](http://www.kaisernetwork.org/daily_reports), 7 June 2006.

microenterprise funding is being directed toward South Asia, Africa, or Latin American countries not involved in the War on Drugs, even though significant microenterprise activity occurs in those regions and a huge percentage of the world's poorest people are found there.

Clearly, RESULTS' watchful eyes are needed. Eternal vigilance is the watchword!

## **VIII. CONCLUSION**

*"The microfinance movement is bringing hope, prosperity, and progress to many of the poorest people in the world."*

-Amartya Sen<sup>159</sup>

In spite of its relative obscurity, RESULTS has participated actively and powerfully in every stage of development of the microfinance movement from 1985 to the present. In building the movement, RESULTS has collaborated with powerful allies, worked with champions in Congress to write and pass legislation, generated huge amounts of media, and produced a long list of high-impact events designed to build support from practitioners, legislators, and the general public.

RESULTS and its allies in the informal Anti-Poverty Coalition gave birth to the microfinance movement at the Microcredit Summit in 1997. Together with RESULTS' Sam Daley-Harris they created the single measurable goal of reaching 100 million of the world's poorest people with loans for self-improvement by 2005. Subsequently, RESULTS established the Microcredit Summit Campaign to track progress at reaching the goal and to ensure that "good practices" and innovations in the industry were widely disseminated.

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<sup>159</sup> Amartya Sen, Lamont University Professor, Harvard University, Nobel Laureate in Economics (1998), quoted in *Global Microcredit Summit 2006 Brochure* (Washington, D. C.: RESULTS Educational Fund, 2005), 4.

Most recently, RESULTS and its allies have established the requirement that field-friendly, cost-effective poverty measurement tools be developed and utilized to accurately document that microfinance institutions and USAID are, in fact, truly serving the very poor and getting them out of poverty.

Where do we go from here? What role will there be for RESULTS and citizen advocates as the microfinance field attracts major sources of private finance and as the many non-governmental organizations in the field transition into regulated banks? And what role will there be for RESULTS with regard to the increasing entry of major financial institutions into the field?

Through Congress and legislatures around the world, RESULTS will continue to bring pressure on the World Bank and other international financial institutions to shift their policies and to provide funding for programs that serve the very poor.

Susy Cheston captures the spirit of RESULTS' vital role in efforts to end world poverty in the following statement:

*“. . . I believe that the 1990s will be known in our field for innovation in scaling up and achieving sustainability. The first decade of the 2000s will be known for innovation in reaching down to the very poor . . . The current number of very poor served by microfinance institutions is about 80 million and the demand is 300 - 500 million. Do we have the political will to close that gap? This will be the job of RESULTS as we go forward - to build the movement and the political will so that all of us who care so deeply about serving the very poor can work together to go the rest of the way toward reaching those additional hundreds of millions of potential clients . . . and getting them out of poverty! . . . RESULTS will be essential to reaching that goal!”*  
-Susy Cheston<sup>160</sup>

RESULTS will continue to bring its network of passionate activists into the microfinance movement and the movement to end world poverty.

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<sup>160</sup> Susy Cheston, taped interview by the author, 13 June 2006.

RESULTS will continue to be a shining example of an organization that consistently delivers on its mission to “create the political will to end hunger and the worst aspects of poverty and to empower individuals to have breakthroughs in exercising their personal and political power”.

## **ACKNOWLEDGEMENTS**

The author wishes to thank Bob Dickerson, lawyer, RESULTS volunteer *extraordinaire*, and friend, for his detailed, thoughtful, and intense editorial support throughout this writing process. In addition, the following persons reviewed all or part of the document at various stages and offered valuable corrections and/or advice: Alex Counts, Jodi Fischer, Michelle Gomperts, John Hatch, Jonathan Morduch, Leila Nimatallah, Ken Patterson, Barbara Sample, and Winston Tellis. Finally, I want to express great appreciation for the final edit, which was lovingly completed by Marjorie Trifon, with assistance from Paul Hoffinger. Truly, this paper was a team effort from beginning to end.

The author is eternally grateful to the persons who gave freely of their time in the interviews: Phyllis AlRoy, Jeffrey Ashe, Paul Berkowitz, Deb Burand, Joanne Carter, Susy Cheston, Alex Counts, Sam Daley-Harris, Chris Dunford, Rich Garon, Syed Hashemi, Bruce McCracken, Kate McKee, Jonathan Morduch, Leila Nimatallah, George Phillips, Michael Rigby, Marshall Saunders, Jill Stone, and Muhammad Yunus. Thanks are also due to John Hatch for calling in to the author’s microfinance class at Denver University and to Rep. Rush Holt for calling in to the RESULTS global national conference call.

Special thanks go to my wife, Barbara Sample, for not only reading and commenting on the manuscript, but also supporting many days and nights of intense involvement with this paper.

All errors of commission or omission are the full responsibility of the author.

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