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## **Notable Books**

### **Bootstrap Dreams: U.S. Microenterprise Development in an Era of Welfare Reform**

By Nancy C. Jurik

*Reviewed by John F. Else*

Stanford Social Innovation Review  
Summer 2005

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## **BOOTSTRAP DREAMS U.S. Microenterprise Development in an Era of Welfare Reform**

**Nancy C. Jurik**

*(Ithaca and London: Cornell University Press, 2005)*

Reviewed by John F. Else

Nancy C. Jurik's description of the emergence of microenterprise development programs (MDPs) internationally and in the United States is informative, but troubling. Jurik presents a useful summary for people new to the field – descriptions of SEWA, the Grameen Bank, FINCA, and ACCION. She also presents an excellent discussion of the legal and institutional basis for MDPs in U.S. economic development policy, including the initiation of the antipoverty program, community-development corporations, community-development banks, and other agencies and initiatives.

On the other hand, her discussion of the “streams” from which MDP emerged mixes social forces and funding sources and does not give adequate acknowledgement to the various other roots of MDP in the United States – sources presented in literature that she does *not* cite. The result is the false implication throughout the book that the major root of MDP was in the form of an import from the southern hemisphere.

In addition, the organization of the book creates distracting repetition of methodological references, ideological labels, and excessive citations of literature. Readers are required to dig through these minutiae to find the new and informative content. For example, the author seems focused on justifying one particular research methodology – institutional ethnography. To explain that methodology in the beginning of the

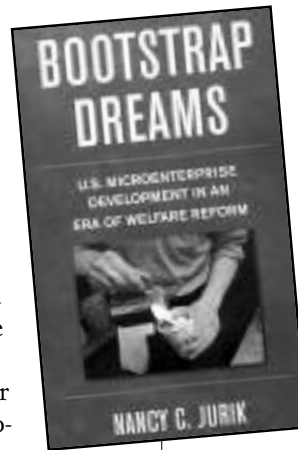
book would have been sufficient, but the author makes repeated reference to the methodology, as if it requires such acknowledgement or promotion. For example, I counted seven mentions on page 216 alone.

Similarly, the author seems so locked into ideological labels that she is not able to describe anything without labeling it first. Programs are based on liberal, neoliberal (her favorite), or conservative philosophies. She must use the term “new privatization ideology” 100 times in reference to what she calls the pressure to apply the “for-profit business model” to nonprofit organizations. Most authors refer to the pressure for effectiveness (producing measurable outcomes) and efficiency (reducing cost per outcome) as “accountability” – which is not unique to the for-profit world.

The description of program characteristics presented in Chapter 3 is completely distorted. Jurik states (footnote 2, p. 221) that her sample intentionally overrepresents peer-lending programs:

*We used purposive sampling techniques to select the programs in our study. ... Because peer-lending programs make up a small minority of U.S. MDPs and we wished to compare them with individual-lending programs, we selected all the peer programs listed [in the Aspen Institute Directory] and a systematic sample of non-peer-lending programs.*

In short, she created a disproportionate sample (32 percent peer-lending programs and 68 percent individual-lending programs), but then describes the characteristics of *the field* in terms of percentages of her sample – a violation of the most basic standards



of data analysis.

The heart of “Bootstrap Dreams” is the case study of a new microenterprise agency supposedly founded on the principles of peer lending learned from southern hemisphere programs. However, this agency would be virtually unrecognizable as such to any-

one who actually works for a southern hemisphere peer-lending program. For example: the focus was on training, not lending. Lending circles were not composed of close friends and associates of an individual seeking a loan, but of classmates who took the training course; members of the circle were not responsible for repayment of each other's loans; and the staff controlled circle decisions so extensively that it is unclear why the participants were grouped into “circles,” except for the philosophical commitment to “peer lending.” The question is, why the facade of “peer-lending circles?”

Furthermore, the program she describes is very small and clearly had minimal impact.

One final, damaging aspect of the book is the author's apparent acceptance of the conclusion of the board and staff of this one microenterprise agency that U.S. MDPs can't serve the poor. The case study describes the bad experience the agency had with its first training and lending cohort. Unfortunately, the board and staff overgeneralized from this first cohort to conclude that microenterprise in the United States wouldn't work with the poor – that they had too many barriers and were not sufficiently motivated. A careful study of the field would have led the author to critique this conclusion by demonstrating that some agencies have in fact been successful in serving this population.