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# **Sustainable Livelihoods and Pro-Poor Market Development:** *Searching for Common Ground*

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An Online Discussion Synthesis from The SEEP Network's Market Facilitation Initiative  
October 29, 2009

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Quotations in bold were taken, edited, or adapted from comments made by some of the people who participated in the online discussion

# *The Market Facilitation Initiative*

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## **Introduction**

The Market Facilitation Initiative (MaFI<sup>1</sup>) is one of the learning initiatives of the Enterprise Development Exchange and the first joint venture between The SEEP Network and the Livelihoods Network, with the support of Practical Action. It aims to assist practitioners working in Pro-Poor Market Development to move from market assessments and program design to implementation by advancing practical principles, techniques, and tools.

Currently, there is a wide body of resources on how to conduct market research and design market development programs. However, there are far fewer resources available on how to implement these programs. MaFI aims to promote program implementation and market facilitation methods that achieve scalable impact and sustainability.<sup>2</sup>

Between June and August 2009, MaFI promoted online discussions to explore the links between Sustainable Livelihoods Approaches (SLA) and Pro-Poor Market Development (PPMD) approaches. These discussions revolved around a seminar funded by ESRC<sup>3</sup> and convened on July 21st, 2009 by the IDS Livelihoods Network Secretariat and partners<sup>4</sup>.

The ESRC Seminar and the MaFI online discussions explored the following questions:

- What are the overlaps, synergies, tensions, and divergences between SLA and PPMD analysis and approaches?
- How effective have PPMD approaches been in developing sustainable and scalable strategies for livelihoods promotion and what are the lessons and insights that this work has generated?
- How does the current financial and economic crisis challenge or reinforce the understanding of market development on which these approaches are based?

The first section of this synthesis briefly reviews SLA and PPMD from a conceptual point of view. The second section presents the main discussions and analyses them from an operational standpoint. The third and final section highlights some unresolved issues that may become areas for future research and discussion.

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<sup>1</sup> URL addresses to the resources mentioned during the online discussions can be found in Annex 2 of this document.

<sup>2</sup> This synthesis is not a comprehensive compilation of the comments made during the online discussions. Instead, this document is a provisional reflection that aims at providing useful inputs for future discussions.

<sup>3</sup> Economic and Social Research Council (UK)

<sup>4</sup> University of Bath, University of Bradford, Practical Action and Khanya-aicdd. The ESRC SLA seminar group can be found at: <http://community.eldis.org/sla>

# Sustainable Livelihoods and Pro-Poor Market Development

## A - Sustainable Livelihoods and Pro-Poor Market Development Approaches<sup>5</sup>

Markets matter to the poor and markets can bring essential goods, services, and knowledge to them.

However, despite their tremendous efforts to make a living through market mechanisms (e.g. selling their labor, producing and consuming goods, and providing services), the poor engage with markets in ways that are superficial or that expose them to abuse, due to their multiple deprivations and adverse socioeconomic relationships.

**“The poor are part of markets. Markets even exist in humanitarian camps and in jails, schools, churches, and rural communities. Perhaps consumer goods have not reached the poor, or the poor struggle to sell to big brand companies, but the poor use markets even more than large corporations do. Large corporations often bypass markets by internal-transfer, but the poor have no choice. There are few alternatives to markets for efficient distribution or allocation of goods in societies.”**  
**(Shawn Cunningham)**

**“Often the most vulnerable are the most integrated into markets, since they have few other options in terms of livelihoods and few assets.”** (Tracy Gerstle)

**“Poor people are involved in markets as labourers, consumers, and producers, but [...] they generally get a raw deal [...]”** (Helen Schneider)

How should development agents and practitioners respond to the situation of poor households when markets make their livelihoods dependent on socially, politically, or geographically remote actors and market processes?

Currently, many strategies to tackle the problem of poverty could be classified under SLA or PPMD. On the one hand, SLA articulates the idea that putting people and their livelihoods at the center and understanding the strategies and assets that communities employ to survive will increase the effectiveness, relevance, and sustainability of development interventions. SLA is influenced to a great extent by different schools of thought in sociology and anthropology. Alongside the core message of promoting people-centered development, the SLA is underpinned by the following principles: empowerment, holistic thinking, building on strengths rather than needs, macro-micro links, participation and responsiveness, and sustainability.

On the other hand, PPMD has evolved out of diverse experiences in the field of enterprise promotion and private sector development policy. It has also been inspired by general dissatisfaction with previous approaches and practices. PPMD is a broad approach with different applications or emphases at the strategic and operational levels, but in all cases the goal is the same: poverty reduction via the markets. Examples of such applications or emphases are institution and support services right, working with lead firms to reach out to poor producers and consumers, bringing a wide range of stakeholders to coordinate actions to change the markets, and working with institutions to change market-related policies.

PPMD is informed to a large extent by classical economics perspectives and explores how government policies and regulations set the rules of the game for a given industry, influencing the performance of markets, the incentives to invest, and the cost of business operations.

<sup>5</sup> Mike Albu (2008), International Project Manager at Practical Action’s Markets and Livelihoods Program, [www.springfieldcentre.com/publications/sp0801.pdf](http://www.springfieldcentre.com/publications/sp0801.pdf)

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Despite the differences between SLA and PPMD, the similarity in their overall objective (i.e. improving the livelihoods of the poor) opens several strategic and operational questions that have important implications for policy-makers and practitioners.

**“Whether working in a ‘livelihoods’ program or a ‘market development’ program, in the majority of cases the desired end point will be the same (improved/changed/sustainable livelihoods) – of course we are likely to take a different approach to try and get to that end point [...]” (Alison Griffith)**

### B - Convergences and Divergences

#### 1. Engaging the poor to benefit from market activity

**“Markets do not care for the disadvantaged. Those who have skill, capital, resource, and capacity will survive in the market. And those who have disability, incapability, and lack of capital and resources, they will suffer and live below poverty line.” (Ahsan Rubayat).**

Markets are driven mainly by expectation of profits. Hence, some participants manifested that markets are more interested in the money of the poor than in the poor themselves. This conviction influences how development agents and market actors engage (or do not engage) with markets. For instance, some SLA practitioners voice concern about markets abusing or destroying the poor.

On the other side, there is also a consensus that “the power of poor people to benefit from market activity lies in their ability to participate in markets and take advantage of market opportunities. Business models that include the poor require broad support and offer gains for all.”<sup>6</sup>

However, some practitioners still have doubts about the benefits that the poor can get from a deeper engagement with markets. This sentiment can sometimes lead to general skepticism towards PPMD.

Some market actors take advantage of marginalized producers and it is clear that the poor need to get a better deal out of engaging with the markets. Some examples from different contexts presented by the discussants showed that the poor can find ways to upgrade both their contributions to and gains from market productivity and competitiveness. However, before they can navigate the markets to their benefit while avoiding abuse, they require basic assets, organizations, and skills.

SLA is particularly good at recognizing that people’s livelihoods are multi-dimensional and complex. From that perspective, the SLA has a lot to offer. SLA explores assets that the poor own in order to identify the strategic ones that the poor could build upon. More than any approach, SLA recognizes the multi dimensionality of poverty and therefore can be instrumental in helping development agents to identify the basic elements required by the poor to get a better deal out of the markets.

From the PPMD approach side, it is widely accepted that building trust between market actors is challenging. It is essential to create conditions for changes in perceptions and attitudes between

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<sup>6</sup> UNDP Administrator Kemal Derviş, New report unveils strategies for engaging the poor, July 1, 2008

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market actors in order to improve the ways in which they interact and do business. Market actors need to realize the possibilities that dysfunctional markets offer for win-win solutions and develop the skills and attitudes to identify them and collaborate towards realizing them. Building confidence is important to be able to interact creatively and proactively with public and private market actors.

However, the sequencing issue remains an open question: **do we need to empower vulnerable actors before they engage with other market actors, or can engaging with the markets be empowering in itself?**

It was mentioned above that the core principles of SLA have been very influential in the development agenda, but there are also gaps: (i) failure to address processes of economic globalization; (ii) inadequate attention to the analysis of power and politics; (iii) failure to deal with the underlying changing environmental conditions and; (iv) lack of a long term vision for rural economies. Can Pro-Poor Market Development (PPMD) fill the gaps or make synergy with SLA?

**“Good market development initiatives seek to understand what the power imbalances and governance structures are in markets—so as to find opportunities for the poor to both upgrade their contributions to and the gains they accrue from their participation.” (Tracy Gerstle)**

Mike Albu’s talk proposed that there are at least four points of convergence between SLA and PPMD. However, the development and awareness of these approaches regarding these principles are uneven. PPMD approach and SLA methods used can differ and occasionally conflict. The discussions examined, to some extent, how SLA and PPMD interpret and implement the following four principles: achieving poverty reduction on a large scale, sustainability, institutional change, and empowerment<sup>7</sup>.

### 2. Interpretation and implementation of the four principles

**Principle 1 - Poverty reduction on a large scale:** Many SLA projects do not address this issue very effectively. Conversely, market-based approaches have impact at scale at their core. Some practitioners feel that only some “lucky few” will benefit from SLA. PPMD approaches are seen as more interested in impact at scale than SLA. However, much is still to be done in terms of demonstrating such impact. For example, some cases discussed online and during the seminar at Bath University (like KATALYST’s in Bangladesh<sup>8</sup>) showed low productivity of marginalized farmers was tackled by improving information provided to them via retailers in the input supply chain and institutionalizing this in the training systems of input supply companies. This means that the number of farmers being reached can expand massively beyond those who might be trained directly in a more conventional extension based approach<sup>9</sup>. This in turn highlights the fact that PPMD approaches are less likely to work *directly* with the targeted communities. This generates its own challenges – especially for inclusion: **how can users of PPMD approaches**

<sup>7</sup> Mike Albu, [www.springfieldcentre.com/publications/sp0801.pdf](http://www.springfieldcentre.com/publications/sp0801.pdf)

<sup>8</sup> KATALYST is a five-year project jointly funded by DFID, SDC, Sida, and CIDA, implemented by Swisscontact and GTZ and working with the Ministry of Commerce of Bangladesh. (Source: <http://www.m4pnetwork.org/node/6>). For more information, visit <http://katalyst.com.bd/>.

<sup>9</sup> Susan Johnson, Centre for Development Studies, University of Bath, Seminar overview for ID21 (see annex 3)

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**make sure that investments in public and private actors will end up benefiting the most marginalized and vulnerable? To what extent can PPMD rely on the “trickle-down” effect?**

**Principle 2 - Sustainability:** The concept of sustainability, or pursuing deeper change in complex systems, is used in different areas: environmental, economic, and social. This is normally taken for granted and many clashes occur between people who say that one type is more important than the other. PPMD is seen as more interested in financial and economic sustainability than in environmental sustainability. SLA is seen as more aware of the latter but is considered to have important financial and economic sustainability problems. For example, the DFID Bangladesh Chars Livelihoods Program<sup>10</sup> is one program using a livelihoods approach to working with extremely poor people. Opinions are still divided as to whether such an asset-transfer program is really sustainable.

**Principle 3 - Institutional change:** Both SLA and PPMD explicitly recognize the importance of institutional change. SLA tends to see institutions as sources of social power whereas PPMD focuses more on “the rules of the game.” However, for both approaches, changing institutions is at the heart of poverty reduction.

**Principle 4 - Empowerment and Participation:** Empowerment is an important strategy in poverty reduction because it uses the tactics of inclusion, collaboration, and coordination to influence others or to solve problems. Participation is also important but we need to avoid confusing participation as a fundamental outcome (e.g. participation that empowers people to influence policy-makers or the quality of a service in the market) with participation as a methodological issue (e.g. participatory assessment as a method used in projects to obtain information relatively quickly). Participation as an outcome is fundamental to sustainability because it is related to governance, the sources of power, and the rules of the game; whereas participation as a methodological issue is merely a means for the project teams to implement the project.

As shown above, empowerment and participation are at the core of SLA and there is little doubt of their value in terms of analysis and strategies. Conversely, PPMD practitioners are still divided in terms of how much and when to allow for participation, who should participate, who should be empowered, and who should provide the empowerment (including the question of “can markets themselves empower marginalized producers and consumers?”<sup>11</sup>). These questions are compounded by the fact that more and better evidence is still needed to show the causal links between empowerment and participation and structural transformations in market systems.

Finally, the four principles interact. For example, empowerment and participation can lead to changes in the structures of society (and markets), which in turn determines the scale of impact. At the end of the day, all of those dimensions are equally relevant.

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<sup>10</sup> DFID Bangladesh Chars Livelihoods Programme <http://www.clp-bangladesh.org/>

<sup>11</sup> Evidence of this was presented by Alex Daniels’ (APT) presentation on “Enabling the most vulnerable to participate in markets” during the ESRC Seminar.

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## 3. Enabling the most vulnerable to participate in markets

Due to the predominance of indirect strategies in PPMD, important questions lie ahead for this approach in areas related to targeting and inclusion. For example, who gets to benefit the most; which sectors, subsectors, and value chains have the best conditions for poverty reduction; and which public and private market actors should be worked with?

PPMD still has to find solutions to the challenge of reaching the poorest and most vulnerable, an area where SLA is perceived as stronger.

Enabling the most vulnerable and marginalized to participate in markets is a common concern shared by most practitioners. Some related questions raised during the online discussions were:

- Can very vulnerable communities engage with the markets?
- Have SLA and PPMD approaches been specifically applied to the very vulnerable whose working capacities are much more limited?
- Are SLA and PPMD equally efficient in addressing the needs of the most vulnerable?
- Do we need to think of another approach when reaching out to post-crisis, natural disasters, conflict, and HIV- and AIDS-affected communities?
- Is it possible or desirable to develop a sub-framework of the SLA and/or PPMD approaches or adapt them so they can be applied to the very vulnerable?

**"I am a strong believer that non-"economic" (finance, enterprise, markets...) companion services are essential for any type of microfinance program or market development initiative to work for [the ultra-poor], the SL framework is very relevant to us, as it allows us to look at the overall picture" (Jan Maes)**

**"There needs to be a continuum of services available so that people can graduate out of poverty and to ever higher level of economic security, and also to "catch" people when crisis affects their livelihoods. In addition, we need to strengthen sustainable community safety nets – which have broken down in many situations – so that better off people (getting stronger through MED) can provide social support to people who become very vulnerable and need 'relief.'" (Mary McVay)**

**"[...] how can we make [asset transfer] as market-based as possible? How can this activity also stimulate [social enterprises] to come to the community and sell next time, or ensure that we are building an income and asset base so that clients can purchase the next item themselves? Are we sure we are being demand-driven in the first place? I think some 40% of kickstart sales are to NGOs and governments, so it is a significant part of the Social Enterprise picture." (Mary McVay)**

First, a thorough understanding of the vulnerability context of the "target poor" is vital. Since every context is unique, it is critical that those who intervene are able to determine what mix and type of support is appropriate. In some contexts it may be that peace-building initiatives, for example, are needed before market development components can start. In other situations the opportunities presented by the market development work may be the catalyst for empowerment and dialogue. Therefore, it is important to identify the aspect and causes of poverty and vulnerability before economic or productive interventions take place.

There is a strong message coming out of the discussions that we need to understand safety nets better as well as whether or how they can be used in conjunction with market development

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interventions to achieve a combination of short- to medium-term protection and longer-term opportunity to create pathways out of poverty for the very vulnerable.

To a large extent PPMD as it is currently applied tends to focus on the working or economic poor as the norm, but PPMD practitioners are working hard to reach out to extremely poor and vulnerable people, including those living in crisis situations such as natural disasters, economic meltdown, and civil conflict. However, some of them are finding that as they reach out to these people, the implementation seems to become more expensive and time-consuming, and less replicable, scalable, and sustainable. Innovative solutions are urgently needed.

**“The post conflict scenario in Nepal means working with highly vulnerable communities that have been displaced, have lost their assets, have gone through extreme trauma and stress, and are residing in communities that have very little social cohesion. Building back their confidence requires focused intervention on creating social harmony, changing their attitudes and practices through behavior change communication tools and activities, enhancing their knowledge and skills in conflict mitigation practices, etc. All of these are quite intensive, expensive, and mostly not sustainable.” (Deepak Khadka)**

There seems to be an agreement that PPMD approaches that rely exclusively on indirect or trickle-down effects are inadequate, insufficient, or simply will not reach vulnerable groups who face significant barriers to entry due to stigma and discrimination, such as people with disabilities or living with HIV and AIDS. These people may require specific interventions that build confidence and self-esteem to engage in market-based livelihood activities. Moreover, this raises the issue of the way social differences such as gender, caste, and religion create barriers to entry in market systems and highlights the difficulty of understanding how these processes of exclusion operate, let alone how PPMD approaches can effectively overcome them<sup>12</sup>.

PPMD seeks to reduce poverty in more indirect ways, via transformations in certain aspects of markets, than SLA-based practices, which are more focused on poor communities. Some practitioners have suggested that a synergic or holistic approach is needed in order to engage with communities and assist them to “graduate” out of poverty.

**“ [...] In our experience a combination of [SLA and PPMD] can generate results more effectively. Compared to the conventional approach of individual asset development, in our approach we facilitate development of community assets such as lagoon as a resource base, irrigation infrastructure, etc. A comprehensive market map (a systemic picture of the sub sector) will identify these as the bottlenecks of the market development anyway. Therefore looking at the market system through the SLA [lens] can be advantageous.” (Jayantha Gunasekera)**

<sup>12</sup> Susan Johnson, “Sustainable Livelihoods and Pro-poor Market Development,” Centre for Development Studies, University of Bath, Seminar overview for ID21. <http://communities.seepnetwork.org/market-facilitation/system/files/ID21+brief,+Susan+Johnson.doc> (See attachment 4)

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### 4. Focus on Community

We commonly refer to “community” but what do we mean by this and who are we referring to? The idea of community as a group of individuals, generally seen as poor, who share a common identity is problematic because of the fluid and multi-faceted nature of this concept; for example, a person can portray different identities in different occasions and for different purposes (e.g. indigenous tribes dressing up in traditional costumes to advocate for certain rights in front of the media). Several tensions emerged during the discussion around community-based or community-related issues.

SLA is in theory a “community-driven” approach but some people argue that SLA is used by development agents, not communities, to make sense of the lives of the poor. On the other hand, some practitioners believe that **“Development organizations facilitate the process but [...] if local community does not own it this will never be successful.”** (Mozharul Islam)

A criticism of SLA is that it puts too much emphasis on poor communities, whereas PPMD tends to redefine “communities” in terms of economic functions in the market (e.g. a community of farmers, groups of intermediaries and groups of service providers such as community-based extension agents) or in terms of geographic location. The later comes across clearly when practitioners from SLA and PPMD discuss who is a local actor or the intrinsic value of local economic development vis-à-vis value chains that include national and international players.

**[We have] been focusing on incorporating a market development approach into a [...] health program that is working with people affected by HIV and AIDS and orphans and vulnerable children. While we are beginning to see successes with a select number of cooperative enterprises, we recognize the importance of addressing livelihoods needs among a much broader group of people. [...] We're now starting to integrate other human capital & social considerations into our approach such as leadership, life skills, and youth development. (Rachel Blum)**

Another issue that came up during the discussion is whether a focus on communities hampers systemic thinking by underplaying the importance of other non-poor actors in poverty reduction strategies. PPMD practitioners tend to be more comfortable with the idea that the roots of poverty extend far beyond the realm of “poor” communities. Maybe alternative or improved definitions of community could help practitioners from both camps to come together.

**“[...] we had a community visioning and planning exercise where the beneficiaries were asked to categorize the social classes [within their community] and they came up with [the following classification]: (1) Destitute, (2) Poor, (3) ‘Active Poor’, (4) Middle Class [...], (5) Rich. In their view, the community recommended that classes 2, 3 and 4 should be the beneficiaries of the project since it involved ‘passing on’ inputs to other beneficiaries at the end of each season. When asked why the destitute should not benefit from such a project, their response was they would eat or sell the inputs, and would benefit best from relief programs. At the end of the project, we observed that over the seasons, many families moved from one class to another, depending on the season – especially before the internal savings and credit scheme was introduced.” (Sarah Mayanja)**

### C – Concluding Thoughts

Businesses, market systems, and livelihoods are deeply interconnected and interdependent. Effective intervention strategies must surely cut across those spheres. There is a broad agreement that using the strengths of both SLA and PPMD and bridging the gaps between them is critical if practitioners and policy-makers are to maximize the use of resources, the effects of their programs and policies, and the scale of such effects.

For PPMD to be more effective there is a need for flexibility on the donor side and an ability of practitioners to respond to change. PPMD is a relatively new approach that tends to embrace complexity and to break the conventional paradigm of the NGO acting as direct services/inputs provider. This poses challenges in terms of capacity building of field staff and also market actors themselves (and in particular communities who are used to the NGO as the direct provider). Moreover, markets are themselves dynamic and opportunities that arise may need a shift in focus and approach. This means that project planning and management systems need to be agile and flexible enough to respond to market changes.

**“Since every context is unique it is critical that those who intervene are able to determine what mix and type of support is appropriate. In some contexts it may be that peace-building initiatives, for example, are needed before market development components start. In other situations the opportunities presented by the market development work may be the catalyst for empowerment and dialogue.” (Alison Griffith)**

**“[Holistic thinking is needed to reduce poverty], and micro-enterprise development (MED) is one element of a package, which implies that MED programs, including MFIs, need to collaborate with or be part of broader inter-disciplinary efforts.” (Mary McVay)**

Despite the current efforts of creative development agents to “stretch” market-based approaches as much as possible to reach out to extremely marginalized and vulnerable people, it was recognized that there are some people for whom it will be very difficult, even with external support, to engage with markets in ways that allow them to move towards a dignified and resilient livelihood. This difficulty will exist as long as PPMD fails to reach the poorest of the poor and opens a question of paramount importance that permeated large sections of the discussions: **what are the boundaries between the public and private, markets and governments, capabilities and rights?** Innovations in development approaches will continue to shift or blur those boundaries.

Demonstrating impact is a significant challenge for PPMD. Showing causality links between interventions and impacts is more challenging for approaches that take indirect routes to poverty reduction (as opposed to approaches that target the poor directly). Intervening at structural levels (relations, perceptions, behaviors, rules, etc) creates a potential for impact at scale, but evidence to date is still weak and often more about the potential than the reality. Methodologies in this area are being developed but will require effort and investment to generate the evidence needed.

Finally, this discussion showed that there are not only core elements that unite SLA and PPMD but also a recognition from champions in both fields of the need and urgency to learn from one another. The worst thing that could happen to both fields would be to move into ideological

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dichotomies like left- vs. right-wing, social vs. economic, wealthy corporations vs. poor communities, and “evil” markets vs. “good” communities. At the end of the day, markets are as social as communities and communities are permeated by economic decisions and processes. Markets, livelihoods, and communities are inextricably linked. SLA and PPMD must be too.

## **Annex 1: Summary of convergences and divergences**

### **Convergences:**

- Markets matter for all and can be the means to essential goods and services
- The life of the poor and their livelihood strategies are complex and dynamic
- More sustainability and impact at scale are desirable
- Holistic thinking is desirable
- Institutions matter
- There are feedback mechanisms in social change

### **Divergences:**

#### The nature of markets:

- **SLA:** Markets are a single entity endowed with personality and purpose (“the markets do not care for the poor”; “the markets will destroy the poor”)
- **PPMD:** Markets are perceived as good. Markets are analyzed in terms of actors, relationships, and rules/incentives

#### Means and ends:

- **SLA:** Poverty reduction is an end that needs to be achieved by any means
- **PPMD:** Poverty reduction can only be achieved if market structures are transformed

#### Inequality:

- **SLA:** Markets generate inequality
- **PPMD:** Markets can be used to reduce inequality

#### Empowerment and influence:

- **SLA:** People need to be empowered and have an influential voice to defend themselves in the markets
- **PPMD:** Markets can empower people and give them influence on society

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### **Annex 2. More questions from the discussion**

- Public and private goods: what are they and which can be provided by the markets and by the state?
- Is SLA good for assessment and PPMD good for strategy?
- How much must the poor be empowered to get the best out of markets? Is it enough to work with some leading market actors and expect that they will benefit the poor?
- What is the role of social enterprises as a bridge between SLA and PPMD?
- Can rights-based approaches bring new elements to bridge the gap between the two approaches?
- Is income the only thing that matters? Do we need to work also on the mechanisms whereby the poor can convert income into capabilities, freedom of choice, and dignity?

### **Annex 3: List of resources mentioned during the discussions**

- MaFI's public page: <http://communities.seepnetwork.org/edexchange/node/362>
- The Enterprise Development Exchange: <http://edexchange.seepnetwork.org>
- Mike Albu's paper (2007) "Comparing M4P and SLA Frameworks: Complementarities, Divergences and Synergies":  
[http://www.deza.admin.ch/ressources/resource\\_en\\_159281.pdf](http://www.deza.admin.ch/ressources/resource_en_159281.pdf)
- The ESRC SLA seminar group: <http://community.eldis.org/sla>
- Livelihoods Connect: <http://www.eldis.org/go/topics/dossiers/livelihoods-connect>
- The Chronic Poverty Report: <http://www.chronicpoverty.org/cpra-policy.php>
- MaFI's resource centre for PPMD facilitators (MaFI-licious):  
<http://delicious.com/marketfacil>
- The SEEP Microenterprise Development Model: a hypothetical model for how microenterprise development can best contribute to poverty eradication, published by The SEEP Network in 2007: <http://communities.seepnetwork.org/hamed/node/766>
- The Enterprise Development Exchange on understanding and accessing social investment:  
<http://communities.seepnetwork.org/value-conference72009/discussion>
- Powerpoint presentations for the ESRC seminar at Bath University:  
<http://community.eldis.org/.59c24446/4>
- An excellent discussion paper on the need to question whether a drive towards repeating the economic growth model is either developmentally sustainable or desirable has been produced by Professor Tim Jackson of the Sustainable Development Commission, "Prosperity without growth? The transition to a sustainable economy":[http://www.sd-commission.org.uk/publications/downloads/prosperity\\_without\\_growth\\_report.pdf](http://www.sd-commission.org.uk/publications/downloads/prosperity_without_growth_report.pdf)
- The DFID Bangladesh Chars Livelihoods Program: <http://www.clp-bangladesh.org>
- CONCERN Worldwide's conceptual framework:  
<http://community.eldis.org/.59baa305/2>
- Examples of livelihoods approaches used in post-conflict contexts are available on Livelihoods Connect: <http://www.eldis.org/go/topics/dossiers/livelihoods-connect/conflict-and-disasters>

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- The Feinstein International Center has done some interesting work on post-conflict contexts, as has the Afghanistan Research and Evaluation Unit (AREU). Please also look at the work done by the British Red Cross in Aceh, post-conflict and post-tsunami, shared at last year's Livelihoods Network workshop:  
<http://www.theidlgroup.com/documents/PublishedReportBRCSIDL.pdf>
- Oxfam's UK Poverty Program:  
<http://www.oxfam.org.uk/resources/ukpoverty/index.html>
- The Thrive project in Thornaby-on-Tees, UK: <http://www.church-poverty.org.uk/about/livelihoods/thrive>
- Forum for the Future/Carnegie Trust:  
[http://rural.carnegieuktrust.org.uk/publications/a\\_scoping\\_study\\_on\\_asset\\_based\\_tools\\_and\\_approaches\\_for\\_sustainable\\_rural\\_areas](http://rural.carnegieuktrust.org.uk/publications/a_scoping_study_on_asset_based_tools_and_approaches_for_sustainable_rural_areas)
- Practical Action has been working on applying pro-poor market facilitation to emergency (post-disaster/conflict) situations with an Emergency Markets Assessment toolkit: <http://community.eldis.org/workshop2008/Blog/Emergency-Market-Assessment-Toolkit--EMMA>
- The Intercooperation Bangladesh program has good experiences for exploiting market opportunities for vulnerable populations and the extreme poor using ME tool/approach under its SL program: [www.intercooperation-bd.org](http://www.intercooperation-bd.org)
- The ESRC seminar's keynote presentation by Ms. Mavis Owusu-Gyamfi, the Head of DFID's Private Sector Development:  
<http://uk.video.yahoo.com/watch/5653439/14824755> (more slidecasts coming up soon)

**Annex 4. ESRC Seminar overview (draft) - By Susan Johnson, Centre for Development Studies, University of Bath, UK**

A seminar was convened to how SL approaches relate to more recently developed approaches to pro-poor market development (PPMD). The first in the series (see ID21 Highlights February 2009) indicated that principles arising from the SL approach: people-centred; holistic; dynamic; based on strengths rather than needs; making micro to macro links and being committed to sustainability, have been more influential than the detailed checklist of elements contained in the SL framework. However, criticisms of it (Scoones, 2009) include its failure to deal adequately with processes of economic globalisation – in particular global markets; inadequate attention to analysis of power and politics; failure to deal with the underlying changing environmental conditions; and lack of a long term vision for rural economies. To what extent then does PPMD fill the gaps identified and operate in synergy with or in tension to the SL approach?

First, PPMD approaches are themselves diverse. They include the ‘M4P’ approach promoted by DFID and SDC which focuses on getting institutions and support services in markets operating effectively to enable the ‘core’ functions of markets; to value chain approaches with different origins and foci ranging from those that involve working with lead firms ‘backward’ down the supply chain or more ‘bottom up’ approaches employing techniques of participatory value chain mapping with producers and other market actors to identifying areas for improvements in services and relationships along the chain.

In terms of synergies, both approaches take a systems perspective (Albu, 2008) which recognise that livelihoods have to be understood as operating within wider social, political, economic and environmental processes. This also reflects their multi-disciplinarity in that they draw on political economy, social analysis as well as economics to generate insights into the way these influences affect the livelihood processes and outcomes that poor people generate. Both refer to institutions – these in themselves are complex, and the focus of PPMD on unpacking the institutions more related to markets that lurk in the “policies, institutions and processes” box of the SLF has been a necessary extension. Institutions, as is now widely acknowledged, are crucial to livelihood processes and outcomes although as Albu pointed out often people talk about them and analyse them from quite different perspectives. Emphasis on sustainability is also a common and critical aspect to both approaches – although PPMD inherently prioritises the economic and financial aspects more than the environmental and social. The vision of transforming livelihoods and the idea of ‘transformational growth’ was raised, but the environmental angle of these needs much greater exploration - quite what that vision of transformed growth looks like from an environmental perspective is a current and ever more pressing question that neither approach has yet adequately engaged with.

Divergence between the approaches can be seen in issues of scale and empowerment. PPMD is seeking to achieve impact at scale that SL approaches have often lacked. They seek to affect

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whole market systems to produce benefits for poor people. The example of Katalyst in Bangladesh is one where addressing the low productivity of vegetable farmers was tackled by improving information provided to them via retailers in the input supply chain and institutionalising this in the training systems of input supply companies. This means that the number of farmers being reached can expand massively beyond those who might be trained directly in a more conventional extension based approach. This in turn highlights the fact that PPMD approaches are less likely to work directly with those it is trying to benefit but to attempt to generate these benefits indirectly. This generates its own challenges – especially for inclusion. As another case study by APT Enterprise Development showed (Daniels and Jeans) vulnerable groups such as people with disabilities or living with HIV and AIDS who face significant barriers to entry in the first place due to stigma and discrimination, such approaches are inadequate and will not reach them, but require specific interventions that can enable confidence and self-esteem to be built to engage in market-based livelihood activities at all. Moreover, this raises the issue of the way social differences such as gender, caste, religion and so on, create barriers to entry in market systems and highlights the difficulty of understanding how these systems of exclusion operate, leave alone how PPMD approaches can then effectively overcome them.

The seminar highlighted three areas where challenges dominate for PPMD approaches: co-ordination; dynamics and impact. The challenge of co-ordination arises from recognizing that the constraints to ‘stepping up’ (improving) or ‘stepping out’ (changing) livelihood activities, for poor farmers in particular, are usually multiple requiring infrastructure, technology, inputs, credit, output markets, and safety nets to be in place at the same time for change to happen. This requires co-ordination at the meso level in terms of co-ordination in the supply chain to all of these aspects. Where markets are thin and risky the potential for this to happen via the market is in itself weak. The role of government in making markets work at this level was an area that was not sufficiently discussed.

A further challenge highlighted for effective PPMD was for flexibility and an ability to respond to change. As this approach is nascent, engaging with market systems means a steep learning curve for interveners as to where and how they can achieve scale, sustainability and impact. Moreover, markets are themselves dynamic and opportunities that arise may need a shift in focus and approach (as the KATALYST example again demonstrated). This means that project planning and management systems need to be nimble and flexible enough to respond to both the learning curve and the dynamics of markets – something they rarely are.

Demonstrating impact is a significant challenge for PPMD. The imperatives for tracing impact to those whom development assistance is intended to reach are more challenging for systems approach taking indirect routes. Intervening at a systems level creates a potential for impact at scale, but evidence to date is very thin and often more about the potential than reality. Methodologies in this area are being developed but will require effort and investment to generate the evidence needed.